Daily Report

Latin America

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Central American Presidents Summit Reported

'Puntarenas' Declaration Issued

PA1812020590 San Jose Radio Reloj in Spanish 1601 GMT 17 Dec 90

["Declaration of Puntarenas" issued by the Central American presidents in Puntarenas, Costa Rica; read by Costa Rican President Rafael Angel Calderon Fournier—live]

[Text] Meeting in Puntarenas, Costa Rica, from 15 to 17 December 1990 and expressing the wishes of the peoples of the isthmus, the Central American presidents declare Central America a region of peace, liberty, democracy, and development.

Within this spirit, they reaffirm their commitment to establish a firm and lasting peace in Central America; strengthen their friendship and cooperation, as well as their good-neighbor policy; and perfect the region's democratic systems based on the existence of governments elected through the universal, equal, free, and secret vote in all the countries.

They express the urgent need to incorporate irregular forces into the political processes and eradicate violence.

They voice their commitment to observe, defend, and promote human rights.

They reiterate their decision to achieve the reconciliation of the Central American societies that are divided.

They recognize that Central America is a single, integral, and indivisible fatherland and that any violence, regardless of where it occurs, spreads its negatives effects throughout the entire region.

Thus, the countries of the area have a legitimate interest and mutual unavoidable duty to end any violent actions and terrorism, as well as the commitment to overcome extreme poverty and promote sustained development as an expression of the profound interdependence, origin, and common destiny of the countries of the isthmus.

In this regard, they commit themselves to creating a new model of regional security. They recognize the immediate need to promote education for peace and to restore a new regional ecological order. They express their commitment to jointly protect the environment, recognizing this responsibility as shared with the developed countries in the effort to preserve it.

They welcome the report presented by the ministers tasked with regional integration and development, and they rejoice over the progress made in the compliance with the Economic Action Plan for Central America, PAECA.

With regard to this, they have decided to continue to promote the establishment of the new Central American integration, which seeks to strengthen the region throught he creation of an economic bloc; to successfully include in the international economy by actions such as the liberalization of regional and extra-regional trade, the implementation of a regional policy on prices and the supply of farm products, in order to guarantee food security for Central America; the support for the development of productive sectors through modernization and reconversion programs; the drafting of specific proposals that will solve the grave debt problem facing our countries; and a regional action to eliminate discriminatory obstacles that are affecting our exports in other countries.

Based on these common principles and intentions, the presidents agree to the following:

1. Renewing their commitment to strengthen the institutionalization of democracy in the isthmus, they decided to request increased cooperation from the international community and international organizations that specialize in this area. This is intended to improve the role of state branches, in particular the administrative and judicial branches that guarantee the full protection of man's fundamental rights.

The presidents call special attention to their decision to fully promote and strengthen human rights and agree to carry out regional human rights and educational programs.

2. The presidents express their profound satisfaction for the progress achieved by the negotiations carried out by the security commission to put together a Central American effort in the areas of security, verification, control, and limitation of arms and military troops despite the obstacle posed by the persistant armed actions of guerrillas that still operate in the region.

Also, the presidents express their satisfaction regarding the work conducted by the said commission seeking the adoption of measures based on trust among the Central American states.

The presidents stress the progress made in such important fields as inventory, accounting [facturizacion], defusing of mines, and disarming of civilians, in accordance with local regulations and avoiding all forms of incidents. The presidents recognize the international community's cooperation provided by the United Nations and the OAS in order to give political and economic support to the aforementioned tasks.

The presidents have instructed the security commission to conclude the mandate granted to it in Antigua, Guatemala, to conduct security, verification, and control tasks and to limit armaments and the number of soldiers.

The presidents confirm their governments' firm decision to continue conducting the necessary actions to strengthen the decisions made by their corresponding legitimate civilian authorities. In this regard, the presidents stress the importance of the armed and security forces being able to conduct specific actions in support of

the civilian authorities for the implementation of social and environmental protection programs.

Within that context, the presidents of Costa Rica, El Salvador, Guatemala, and Honduras praised the successful efforts made by the Nicaraguan Government to attain the gradual reduction of its army, which is leading to the strengthening of the country's civil institutions and to free resources for economic and social development.

3. The presidents agree, in keeping with the reports issued by the executive commission, to create a committee to verify the political commitments made during the Esquipulas process. This committee will be comprised of five Central American citizens of recognized independence, suitability, and prestige and will be appointed by the national reconciliation commissions.

During the next 60 days, each national reconciliation commission will inform its corresponding government of the names of the people chosen to participate in the aforementioned committee. Also, the presidents agree to ask the OAS secretary general to work along with the executive commission to choose fields of technical support and advisory support for the committee.

The presidents of Costa Rica, El Salvador, Honduras, and Nicaragua recognize the work done by the Guatemalan National Reconciliation Commission to hold a major national dialogue that is intended to make the aspirations of all sectors of society become viable through agreements [words indistinct]. They also point to the effective action by the government in giving its full support to the talks between different sectors of society and the Guatemalan National Revolutionary Unity to succeed in making them abandon the armed struggle and join peaceful political process.

4. The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua examined together with the Salvadoran president the development of the armed conflict in that country and the current situation of the dialogue process between the Salvadoran Government and the irregular forces of the Farabundo Marti National Liberation Front. In addition to this and the recent worsening of hostilities, the presidents issued an annex declaration on the situation in El Salvador. At the end, we will read the annex declaration.

The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua, along with the Salvadoran president, reiterate their decisive support for the efforts for peace conducted by UN General Secretary Javier Perez de Cuellar and express their firm hope that measures under his international supervision can be agreed on and implemented in the short run to ensure a cease-fire and its verification by UN observers. They also also hope that mechanisms will be established, as agreed on, to ensure the protection of human rights and the full realization of national reconciliation in El Salvador.

5. They analyzed the actions carried out in this past year by the UN Observer Group in Central America [ONUCA] and noted their positive contribution to the current situation in the region. They expressed their satisfaction over UN Security Council Resolution 675-90 to extend ONUCA's mandate six more months. They carefully reviewed the recommendations made by the security commission in its latest meeting in Tegucigalpa, Honduras, to strengthen and update ONUCA's organization and operational structure and make its verification mission more effective.

In this connection, the presidents agree to support the recommendations in the areas of communications, research, detection, and coordination and urge the executive commission to initiate consultations with the UN Secretariat General's office as soon as possible to promptly implement these recommendations and establish a UN information mechanism for periodically reporting to the United Nations on ONUCA's activities.

6. In order to adequately handle the large number of repatriated and displaced people, as well as refugees, who are still in some of the area countries and to protect and assist them, the presidents encourage international support to execute the proposals and projects presented by the convening governments at the first international meeting of the follow-up committee of the International Conference on Central American Refugees held at the UN Headquarters in New York on 27 and 28 July so the proposals presented can be used as soon as possible for the benefit of these people.

7. The presidents agree on the need to preserve and strengthen direct relations between the European Community and Central America, with the participation of the Group of Three, through the existing institutional forums. In addition, they express their hope that the upcoming San Jose meeting, which will take place in Managua, Nicaragua, on 18 and 19 March, 1991, will be a step forward in the new era to increase dialogue and the cooperation between the two regions.

After pointing out the importance of their upcoming meeting with Mexican President Carlos Salinas de Gortari, the Central American presidents announced that they will adopt measures aimed at intensifying the relations of the region with the United Mexican States and expressed their desire that at that time they would be able to sign agreements aimed at achieving the foregoing objective.

They expressed conviction that the good cooperation initiatives for the region will supplement the existing bilateral and multilateral programs, thus increasing the levels of cooperation for development and commercial exchange.

8. Aware of the relationship between education and development, the presidents state their decision to face and meet the various needs that still exist in the region. To this effect, they support the measures adopted by the Central American Cultural and Education Coordinating Board which are intended to increase and strengthen the preschool education programs; adopt strategies to

increase the coverage of education programs, the quality of education, and the betterment of education production and retention; promote adult education programs and policies; and promote education for peace, development, democracy, health, and the environment.

In particular, the presidents point to the necessity of eliminating illiteracy in the region, as well as ajusting and renovating educational curricula to suit the development needs and cultural conditions of the different segments of the population.

9. Convinced that the current situation with regard to the region's natural resources and environment demands that immediate action be taken for the preservation, renovation, and development of these resources, and based on the highest political decision; the presidents recognize the work done by the Central American Environment and Development Commission and decide to instruct it so that within a 90-day term this commission will define the measures necessary for:

a) Preparing a strategy based on exchanging the foreign debt for nature [naturaleza] in order to finance development and environmental protection programs, using the Enterprise for the Americas Initiative and the commercial and bilateral debt of the Central American Bank of Economic Integration [BCIE] as a basis. This strategy should contemplate both purchasing commercial debts as well as forgiving international debts.

b) Carrying out a regional inventory and census of areas and species that require special protection, as well as the identification of priority protection areas in border areas.

c) Preparing a regional agreement that will determine the commitment of the Central America governments in establishing a system to protect the identified areas and species. This agreement will have to be presented for discussion at the forthcoming presidential summit.

d) Defining, in coordination with the executive commission, a Central American position and strategy with a view to the forthcoming World Conference on the Environment to be held in Brazil in 1992.

e) Actively participating in the negotiation efforts that are conducted in the UN system in order to conclude international agreements on biological diversity and climate changes.

f) Carrying out specific actions that seek to prevent the Central American countries from ending up as dumps for toxic waste and substances that are harmful for the environment and health—and this includes the passage of these substances through the area—by observing the provisions of the Brasilia Agreement which regulates this type of transshipment.

g) Identifying the measures necessary for achieving a prompt and full enforcement of the Forestry Action Plan for Central America and of the respective national plans in each country.

h) Defining mechanisms for establishing the national funds and a regional fund for the environment and development, and the implementation of actions for preparing the Central American Agenda of Environment and Development, in coordination with the national organizations entrusted with the topic.

Sharing the ideas voiced by Costa Rican President Rafael Angel Calderon Fournier to the effect that it is necessary to establish a concerted international action in order to confront the environmental challenges through solidarity, respect, and harmony with nature, the presidents of El Salvador, Guatemala, Honduras, and Nicaragua hereby enthusiastically state their support for the proclamation called Toward a New Ecological Order of International Cooperation, issued on 14 December 1990 by the Costa Rican president. They also urge the international community to support through specific actions the initiatives included in that proclamation, fully convinced that they represent basic elements that will allow mankind to enjoy its right to an inhabitable world.

10. In view of the threat that drug trafficking represents to the stability of democratic institutions and the well-being of the Central American people, it has been decided:

a) To appeal to the international community to secure technical and financial cooperation to intensify the struggle against this scourge and to effectively cooperate in the adoption of a multilateral policy to check drug production, consumption, processing, and trafficking; to control chemical substances used in the processing of drugs; and to clamp down on related financial crimes.

b) To point out the importance of improving the economic and social conditions of the developing country as a mechanism to diminish the illegal production and trafficking of drugs and to show that it is necessary that the industrialized countries adopt measures to eradicate the illegal consumption of drugs and to curb the production and exporting of chemical substances used in the processing of drugs.

c) To work jointly and in coordination to prevent, combat, and eradicate drug trafficking and to adopt measures to make the international cooperation agreement for the eradication of illegal drug trafficking an effective tool.

d) To create a stable Central American commission to eradicate the production, consumption, and trafficking of drugs, as well as the illegal use of narcotics and other related crimes, especially money laundering, and to establish a regional mechanism for exchanging information on this subject.

e) To coordinate border and customs' watches to prevent illegal drug trafficking.

f) To create a regional educational program to fight the illegal consumption of drugs.

g) To order each country's pertinent organizations to implement the measures listed here and to request support from the international community and specialized organizations for the same purpose.

11. Certain that it is necessary to control migratory flows within, from, and to the region, in the framework of strict respect for human rights, the presidents have decided to order their respective national authorities to adopt, in a coordinated fashion, measures:

a) To harmonize regional immigration laws and systems, to eliminate visas from diplomatic and official passports, and to issue multiple visas for businessmen, professionals, and other categories of travelers, to establish a common format for passports and other immigration control documents, and to design a computerized Central American mechanism for immigration control purposes.

The presidents state their support for the Central American Parliament, acknowledging that it would be a political body that would promote a steady dialogue and the search for regional cooperation.

They also urge the EEC to make good on its offer to support the elections to the Central American Parliament in the countries requiring this support.

13. [number as heard] The presidents acknowledge and point out the fact that the meetings of first ladies of Central America, which began in 1987, significantly contribute to the peace process, to social and cultural activities in the area, and to causes as important as the situation of children negatively affected by armed violence in Central America and the status of women in the family.

With this in mind, the presidents are ordering their governments to follow through, with an emphasis on possibilities, on the recommendations and conclusions reached at the first ladies' meetings.

At forthcoming summit meetings, the first ladies will actively participate in the discussion of social issues.

14. The presidents of Costa Rica, El Salvador, Guatemala, and Honduras express their belief that if Nicaragua's social and economic problems are not addressed with a sense of urgency and with the spirit of generosity that circumstances demand, they could lead to a grave deterioration of that nation's democratization process and the stability of the region in general. In this regard, the presidents believe that in order to deal with those problems it is necessary that there be a gigantic and effective program of solidarity on the part of the international community along with the support of the Central American countries, which would serve as an example and encouragement.

15. Given the aforementioned, the presidents instruct the Central American forum on foreign debt consultation and coordination to find a singular and practical solution to Nicaragua's interregional debt by 31 March 1991. This Central American forum is comprised of the region's treasury ministers and presidents of Central American banks.

Accordingly, they urge the international community to implement an exceptional emergency program that will assure additional funds to give immediate solutions to the problems Nicaragua is facing in the fields of foreign debt and financing, for the economic and social reconstruction of the nation. Likewise, they request the Inter-American Development Bank and the World Bank to assume joint responsibility for coordinating and implementing a program to resolve the aforementioned problems.

16. They also instruct the ministers responsible for the regional integration and development to define a Central American customs and tariff policy that fits regional open-market development policies. The ministers are urged to draw up documents applicable to modern policies. This was decided taking into consideration the significance that a greater opening and efficient participation in international trade has on the region's social economic development.

In order for the nations to reach regional uniformity—through gradual, simultaneous, and concerted mechanisms—the following timetable has been fixed:

a) Establish the negotiating parameters no later than 31 March 1991.

b) Have an overall review of the customs' tariff system and enforcement of the tariffs agreed upon no later than 31 May 1991.

c) Conclude the negotiations and put into effect uniform customs tariffs no later than 31 December 1992.

d) Approve a customs' tariff list, called the harmonized system, and the Central American anti-dumping code no later than 31 December 1991.

Also, they instruct the executive council of the General Treaty for Economic Integration to undertake the appropriate measures, thereby guaranteeing the fulfillment of the regional commitments on tariffs and customs' issues.

17. Considering the urgent need to develop and transform the Central American countries' productive sectors and to complement whatever tariff policy is adopted, the presidents instruct the ministers in charge of the regional integration and development to, no later than three months hereof and in coordination with the involved sectors, draft a regional plan for the reconversion and modernization of the productive sectors without harming any actions carried out on a national level. This program should start in June 1991. The presidents are calling on the international financing organizations, particularly the Inter-American Development Bank, to provide the necessary support for the implementation of this program.

18. The presidents approve the scientific and technological regional policy proposal drafted by the appropriate

authorities and recommend completion of the outline of the investment project for the scientific and technological development of productive sectors to strengthen these sectors' competitiveness in technological research in accordance with the regional program for the reconversion and modernization of these sectors and the regional tariff program.

19. To expedite the exchange of basic agricultural and livestock products among the region's countries and to guarantee an adequate food supply, the presidents instruct the ministers for agriculture so that, in coordination with the ministers in charge of regional integration and development, as well as other appropriate authorities, the following measures can be taken:

a) Within the process of smoothing out agricultural and livestock policies, priority status should be given to the prices and marketing of basic products in the region to fully meet the consumption demands of the people of the region.

b) Take immediate action to create a market information exchange system.

c) Outline regional policies for handling donations, purchases and sales of products and production supplies, license imports, and negotiations of surpluses and deficits of basic agricultural and livestock products. The related projects should be presented at the summit in which agricultural and livestock development will be discussed on a priority basis.

20. Aware that the foreign public debt has become a serious obstacle for the Central American countries' economic and social development and limits the efforts toward peace and democratization in the region, and that this problem is the joint responsibility of debtors and creditors; the presidents make the following appeals:

a) Multilateral financial organizations and the Central American countries' appropriate authorities should urgently establish a comprehensive way to reschedule maturity dates, reduce the amortization payments, make the terms more in accordance with the economic realities of the region's countries, and revise the current procedures for negotiation, approval, and disbursement of loans to make them easier and more expeditious.

b) The creditor countries should write off a significant portion of the debt. The balance should be refinanced under special terms and amortized in local currency so that these loans can be used to finance projects that will reduce poverty, yield revenue, and protect the environment.

The presidents also instruct the ministers in charge of regional integration and development so that they, in coordination with appropriate authorities, can establish procedures for settling the debt problem among the region's countries.

21. The presidents express support for the actions taken both by the ministers in charge of regional integration and development and the presidents of central banks to restructure and revitalize the Central American Economic Integration Bank so that it can effectively become the financial instrument needed to reactivate the economies of the region's countries using the document titled Definitions of the Country Representatives in Relation to the Current Situation and the Bank's Perspectives [as heard], dated in Washington on 15 and 16 October and 11 December, as a basis.

Concerning this, the presidents urge the Inter-American Development Bank to finance the countries of the region so they can capitalize and financially clean up the BCIE.

22. They express satisfaction over the implementation of the new regional system of payments that seeks to promote Central American regional trade, and commit themselves to operating it under sound financial norms. They particularly appreciate the support given by the EEC for implementing the system within the framework of cooperation with Central America.

23. They express satisfaction with the EEC for granting special treatment of the generalized preferential system to four Latin American countries to support the struggle against drug production and trafficking.

Inasmuch as this decision places the Central American countries at a disadvantage, they urge the EEC to promptly extend the same benefits granted to those nations to the products exported by the Central American countries. Also, they instruct the foreign ministers to negotiate with that community to extend the abovementioned benefits for the Central American countries.

24. Considering that, within the framework of cooperation between the EEC and Central America, the importance of bananas in the trade between the two regions and in the economies of the area has been recognized, the presidents reiterate the urgency that within the negotiations that have been conducted to this effect in the current round of multilateral negotiations and of the strategy of the single European market of 1992, it will guarantee a treatment that will be free of taxes and of import quotas on this product.

25. They reiterate their satisfaction over U.S. President George Bush's proposal for the Initiative for the Americas, upon which great hopes for Central America's economic development are centered. It advocates a free trade system, the promotion of investments in the region, and the adoption of debt conversion mechanisms to foment the protection of the environment. In this sense, they urge the U.S. Congress to support this initiative.

In addition, they instruct the corresponding authorities of their respective countries to establish a mechanism of consultation and coordination for the purpose of signing a treaty of fair trade in the region with the United States, as well as fomenting greater flows of investment toward

the area and developing important projects for environmental protection. All of this is to be done without affecting the actions that the countries might promote on an individual basis.

26. They express their satisfaction with the proposal for establishing the Association for Democracy and Development of Central America [Asociacion para la Democracia y el Desarrollo de America Central—ADD], which seeks to create a forum for strengthening peace and democracy and contributing to the economic development of Central America.

They feel that the Central American role in the association is of vital importance and feel that the leadership of that entity should be broad and expressed in terms of equality and the representation of all participants.

They instruct the executive commission, which is made up of the foreign ministers and the ministers in charge of regional integration and development, to adopt in a joint manner the measures to form the ADD.

For this initiative to be effective and to attain the purposes mentioned, the presidents urge the Inter-American Development Bank to create a regional consultation group so that with the participation of international organizations, cooperation agencies, and donor countries, this group may serve as support for the Central American countries in the creation of conditions that will facilitate the attainment of common objectives in the social, political, and economic areas.

27. The presidents express their satisfaction over the initiative presented by Colombia, Mexico, and Venezuela to start national and regional projects, so that they can identify and develop new sources of energy and help alleviate the Central American countries' high dependency on oil, a dependency which worsens in times of crisis.

28. The presidents are grateful for the resolution approved by the UN General Assembly extending the Special Cooperation Plan for Central Americá [PAECA] for three more years. Also, the presidents urge the UN Development Plan's administrative council to approve both the request presented by the region and the amount requested, which will make it possible for the region to keep operating as the fundamental support for the area's development. To improve the efficacy of the financed programs, bring the plan and the area countries closer together, and lend economic and technical meaning to the PAECA, the presidents reiterate their appeal to base the plans's secretariat in one of the region's countries.

29. The presidents express their satisfaction over the favorable treatment that the friendly nations of Mexico and Venezuela have accorded Central American countries in the repayment of oil purchases. The presidents express their aspiration for the relations established so far in the temporary framework of the oil crisis to be consolidated into permanent ties of cooperation, investment promotion, and trade increase.

30. The presidents acknowledge the importance of the recent creation of the Mexican Commission for Cooperation with Central America in the integration efforts, and of taking the proper actions that will lead to the strengthening of trade relations between Mexico and Central America.

31. The presidents acknowledge the progress made in complying with PAECA, according to the report presented by the ministers in charge of regional integration. The most important aspects of this report include the analysis of the juridical framework of the integration, an analysis conducted by the jurists' commission, the emergence of a regional payment system, meaningful attainments as the preliminary steps to signing a multilateral temporary free trade agreement between Honduras and the rest of the region's countries, the start of regional physical infrastructure, the expediting of regional transport and customs procedures, the harmonization of regional policies in the prority agricultural and livestock sectors, the drafting of a proposal on a regional science and technology regional plan, and the progress in the areas of environment and development.

32. The presidents encourage the regional integration and instruct the development ministers so that they, in compliance with what PAECA has stipulated and in coordination with the appropriate authorities and no later than 31 December 1991, can outline a regional tourism policy based on the valorization of the national and cultural patrimony, study the feasibility of a flexible air transport policy based on negotiations, draft a plan for the development of national fishing, carry out and adjust mechanisms for the free exchange of cultural property in the region, approve a regional plan to stimulate the socially productive sector, approve a regional plan in the area of human settlement and housing, and develop a program to expedite airport operations. The presidents express appreciation for the active participation of all sectors and organizations involved in PAECA and urge the appropriate authorities to continue to make efforts to carry out the plan outlined in this declaration.

33. Given the importance of the institutionality and legality of Central American integration, they instruct the ministers responsible for that process to present at the next summit a basic framework that will legitimatize and guarantee the necessary legal security for strengthening the integration process.

34. In order to increase the participation of the Central American countries in the international organizations and give the regional group more importance in these organizations, they agree to establish mechanisms of coordination on the issues of votes and candidacies through a system of strict rotation in the nominations for posts, headquarters, and membership in organizations of the Inter-American system and in the UN system, including specialized agencies and organizations. To this effect, they instruct the executive commission and the ministers responsible for the integration and regional

development so that they will prepare and implement the abovementioned mechanisms.

35. They reaffirm the mandate granted to the various groups previously established in order to regulate, promote, and make feasible the implementation of the agreements as well as the main function of verification, control, and followup of all the commitments contained in the Guatemala procedure and the subsequent declarations.

Also, they agree to establish the following complementary institutional mechanism that is intended to systematize and strengthen the organization and coordination of the summits:

The presidential meetings will be held every six months, during the months of June and December. They will be preceded by a preparatory meeting of the executive commission and of the ministers in charge for integration and regional development. The meeting will be attended by the ministers and authorities from other governmental areas, as required for the development of the summit's agenda.

The country hosting the summit will become the secretary of the summit through its foreign ministry in the six months following the summit in order to faciliate the analysis and dissemination of the documents and relations with third countries and interanational organizations. To this effect, the host country will be the spokesman for Central America in the corresponding six months.

The rotation of the forthcoming sites will be as follows:
January-June 1991: Costa Rica
July-December 1991: El Salvador
January-June 1992: Honduras
July-December 1992: Nicaragua
January-June 1993: Guatemala

The secretariat of the summit will disseminate the reports, conclusions, and recommendations of said meetings as required and they will also be given to the executive commission in order to achieve an effective follow up.

The presidents regard with satisfaction the proposal presented by the Group of Rio during its most recent meeting held in Caracas allowing Central America to participate in the permanent mechanism for dialogue and political consensus. The presidents agree to send their representatives in accordance with the established rotation order.

37. [number as heard] The presidents reaffirm their recognition of the efforts of and the progress that the Panamanian Government has attained regarding the internal consultation process conducted in the country to determine the possibility for an increasing economic relationship with Central American countries. The presidents also express their deep satisfaction over the Panamanian Government's clear intention to increase its participation in the Central American political and economic organizations and reinforce its ties with regional organizations.

38. Recognizing the far-reaching contribution given to the cause of peace and international detente by USSR President Mikhail Gorbachev, 1990 Nobel Peace Prize laureate, and convinced that his visit to Central America would contribute to highlight the importance of the cause of peace and promote it decisively, we invite him to officially visit Central America.

39. Considering that Guatemalan President Marco Vinicio Cerezo Arevalo's term will end soon, the presidents of Costa Rica, El Salvador, Honduras, and Nicaragua express their recognition for the fundamental role he has played in favor of regional peace and point out that it was his initiative that gathered the five Central American presidents in Esquipulas. The presidents express appreciation for his lasting dedication and efforts during the Esquipulas II process, whose importance in attaining the objectives agreed upon today put before the eyes of the Central American nations flattering perspectives for lasting peace in the region. Thank you very much, President Cerezo. [applause]

40. Aware of the fundamental role that the agricultural, forest, and livestock activities play in the Central American countries' economic and social lives and convinced of the need to stimulate development these countries' development in every area, the presidents agree that the next summit should preferably be devoted to the agricultural and livestock sector.

41. The presidents agree to meet again in El Salvador during the first semester of 1991.

42. The presidents of El Salvador, Guatemala, Honduras, Nicaragua, and Panama express their deep gratitude to the Costa Rican president, government, and people for their hospitality and courtesy, which significantly contributed toward the meeting's success.

Puntarenas, 17 December 1990.
[Signed] Marco Vinicio Cerezo Arevalo, president of Guatemala;
Rafael Leonardo Callejas, president of Honduras;
Violeta Barrios de Chamorro, president of Nicaragua;
Rafael Angel Calderon Fournier, president of Costa Rica;
Alfredo Cristiani, president of El Salvador;
and guest observer Guillermo Endara, president of Panama.

Presidents 'Demand' Cease-Fire in El Salvador

PA1712160290 Panama City ACAN in Spanish 1538 GMT 17 Dec 90

[Text] Puntarenas (Costa Rica), 17 Dec (ACAN-EFE)—The Central American presidents demanded "an immediate and effective cease-fire" from the Salvadoran

guerrillas at the conclusion of their ninth regional summit in Costa Rica today.

In addition, the presidents announced the creation of a new verification committee for the Esquipulas II Political Agreements signed in July 1987. The committee will be made up of civilians from Central American countries.

'Declaration on El Salvador' Issued

PA1712202390 San Jose Radio Reloj in Spanish 1652 GMT 17 Dec 90

["Declaration on El Salvador" issued by the Central American presidents in Puntarenas, Costa Rica on 17 December and read by Costa Rican President Rafael Angel Calderon Fournier—live]

[Text] The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua, aware of the difficult situation that prevails in the fraternal nation of El Salvador—a situation that has worsened over the past few days due to the actions of the FMLN [Farabundo Marti National Liberation Front], which have affected the civilian population and led to a qualitative escalation of the armed conflict through the FMLN's use of sophisticated and highly destructive weapons;

Recalling the commitments of the Central American governments within the Esquipulas process with regard to their commitment to promote a cease-fire and national reconciliation and according to which dialogue should prevail over violence and reason over rancor, taking into account that the corresponding governments would begin a dialogue with all disarmed opposition groups and with those that have embraced the amnesty law, [Words indistinct] to conduct all the necessary efforts to attain an effective cease-fire within the framework of the Constitution;

Once again, recognizing the efforts of Salvadoran President Alfredo Cristiani since 1 June 1989 to end the Salvadoran armed conflict through dialogue with the FMLN and to attain full incorporation of this armed, rebel group into the peaceful and democratic life of the country;

Reiterating that peace, freedom, democracy, and development are based on respect for a country's legal, constitutional order, which should be modified only through the corresponding legal means and by the legitimate authorities elected by and representing the people's sovereign will as freely expressed in the election processes;

Reasserting the need for peace that has resulted from reconciliation and permanent stability throughout Central America to attain the social and economic development our nations demand and that we cannot attain due to the existence of conflicts in some of the region's countries, and especially due to the situation that prevails in El Salvador;

Taking into account that the dialogue process between the Salvadoran Government and the FMLN has been hindered by the FMLN's persistent, violent actions;

Recalling the San Isidro de Coronado Declaration in which it was decided to involve the international community in the Salvadoran peace process through the presence of the UN Secretary General, who was called upon to take the necessary actions for the dialogue between the Salvadoran Government and the FMLN to be resumed, and to contribute toward the successful development of that dialogue;

Praising and recognizing the valuable participation of UN Secretary General Javier Perez de Cuellar, under whose auspices the Geneva Agreement was signed on 4 April 1990, which allows the resumption of the Salvadoran peace process and in which the two sides have asserted their good faith and willingness to seek a definitive solution to the armed conflict through negotiations;

Emphasizing the constructive position of the Salvadoran Government, which has agreed to hold open and serious talks on all topics included in the peace process agenda, including that of the Salvadoran Armed Forces, the existence of which is established by the Constitution;

Stating that the FMLN's attitude within the dialogue has prevented attaining a prompt solution to the armed conflict and that the FMLN's new offensive violates the agreement on human rights signed in San Jose, Costa Rica on 26 July 1990, which established a commitment to prevent all actions or practices that endanger people's lives, honor, safety, and freedom:

The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua agree:

1. To support the Salvadoran people's will for peace, democracy, and reconciliation, which has repeatedly been expressed over the past few years through honest and pluralist elections.

2. To recognize the Salvadoran Government's political resolve and compliance with the commitments to attain peace and democracy within the framework of the procedure to establish firm and lasting peace in Central America of Esquipulas II and subsequent declarations, especially those of Tela and San Isidro de Coronado.

3. To reassert their resolute support for Salvadoran President Alfredo Cristiani and his continuing efforts to attain peace through peaceful means, such as dialogue and negotiations.

4. To reiterate the need, to immediately and effectively, fulfill the agreement on human rights and to praise President Cristiani's firm resolve in this regard.

5. To recognize and emphasize the valuable efforts of the UN secretary general directed toward a peaceful solution to the Salvadoran conflict, which threatens peace and stability in Central America.

6. To condemn the violent actions of the FMLN, which have inflicted death and grief upon the Salvadoran civilian population and serious damage upon the country's economic infrastructure.

7. To demand that the FMLN immediately halt the use of sophisticated weapons, such as those used in its recent offensive, and to ask the UN Observer Group in Central America to promptly conduct the necessary investigations to ascertain the origin of the aforementioned weapons.

8. To vigorously demand that the FMLN observe an immediate and effective cease-fire, thus proving its political resolve to reach agreements that would lead to firm and lasting peace in the region, as soon as possible and to demand that the FMLN refrain from hindering elections, give up the armed struggle, and rejoin the democratic life of the country.

To ask all the people and governments of the world:

1. To firmly and resolutely support this Central American government's initiative, the legitimate expression of the will of its people.

2. To contribute with their efforts toward convincing the FMLN of the absolute need to negotiate and take advantage of the willingness to talk shown by the Salvadoran Government to attain peace.

3. To contribute—as a means of promoting the process for a peaceful solution of the conflict—by ceasing all military, economic, logistical, and publicity assistance that the FMLN still enjoys in various parts of the world. For their part, the presidents commit themselves to:

1. Supporting with their actions the negotiations carried out under the auspices of the UN secretary general.

2. Becoming a follow-up mechanism in the negotiating process between the government and the FMLN to contribute toward promoting the objectives proposed to achieve a peaceful and democratic solution in El Salvador, in accordance with agreements reached by the parties.

3. Conducting efforts directly, and through Central American diplomatic representatives before the UN secretary general and Security Council and the OAS Permanent Council and secretary general, to obtain their support for this initiative. Also to request political and material support for this initiative from governments, churches, and other organizations.

4. Supporting these peace efforts and promoting intensive diplomatic activity, in a joint and coordinated manner, before the entire international community, particularly before those governments that have links and interests in the Salvadoran conflict.

5. Instructing foreign ministers to agree, as soon as possible, on measures and actions to attain the objectives specified in this document.

Finally, the presidents agree on stressing the urgency of immediately putting an end to the conflict, the continuation of which can only bring more mourning to the people of Central America.

Puntarenas, Costa Rica
17 December 1990
[signed]Marco Vinicio Cerezo Arevalo, president of Guatemala;
Rafael Leonardo Callejas, president of Honduras;
Violeta Barrios de Chamorro, president of Nicaragua;
Rafael Angel Calderon Fournier, president of Costa Rica;

The declaration was also signed by Salvadoran President Alfredo Cristiani, and Panamanian President Guillermo Endara, as honor witness and observer. Thank you. [applause]

Salvador's Cristiani Delivers Closing Statement

PA1812045890 San Jose Radio Reloj in Spanish 1713 GMT 17 Dec 90

[Closing statements by Salvadoran President Alfredo Cristiani at the Central American Summit at the Fiesta Hotel in Puntarenas, Costa Rica—live; broadcast in progress]

[Text] ...and that crisis that was expressed in a violent manner in some of our countries has paradoxically made us all rediscover that Central America exists and that the separatism in the artificial peace we used to live under was against the background of unity that we now consider unyielding and therefore, unavoidable.

We have unity in the face of a greater fate, certainly determined by history and geography, but also because in the world today, as we approach the dramatic end of the millennium, horizons of hope are ahead for mankind even though there are still some very dark clouds in some regions.

The shadow of nuclear war seems to have disappeared with the end of the cold war and a universal spirit of constructive and rational cooperation is taking the place of the harsh ideological confrontation that filled most of this century with intimidation and anguish.

The practically absolute isolation of Iraq in the Persian Gulf crisis is also a sign of the times. We are entering a stage in which neither violence nor aggression are justified or valid. Those who insist on these primitive methods or practices are being left behind by the course of history.

For us Central Americans, the decade of the 80's cannot be considered an entirely lost decade. We have had very serious deterioration and distortions in the political and economic fields. The teachings of maturity in all of these trying years, however, has already yielded fruits, and this process of Central American integration, confronted and focused with greater integrity than three decades ago is a sign of this.

When these Central American meetings began in Esquipulas in 1986, under the visionary auspices of Guatemalan President Cerezo, the prevention of national conflicts from becoming regional conflagrations was urged. At that moment, time was against the development of democracy, which is always slow and difficult.

The very imminent and catastrophic threat of a generalized war under the sign of totalitarianism, however, the Central American rulers' search for rationalization mechanisms. The threat was not only averted, but a plan was designed and it has definitely promoted the democratic projects, even in those countries where the situation was more harsh and complex, like Nicaragua and El Salvador.

We are deeply pleased with the changes that are taking place in Nicaragua under the firm and persuasive guidance of President Violeta de Chamorro [applause] as well as the exemplary consolidation of democracy in Honduras with the installation of President Callejas' government. [applause]

We have put special emphasis on the positive influence that the Central American process has had and continues to have on the negotiated political solution to end the conflict in El Salvador. We want to reiterate again here, in the presence of our Central American brothers and the world, that, as we stated on 1 June 1989—the day we assumed office—that we are still firmly determined to find peace in our country through the civilized means of negotiation. We do not believe in war, we do not want war. Our pacifist and pacifying willingness has never hesitated or crumbled, not even at the most trying times. Our personal conviction, and because history has taught us so, makes us know that peace cannot be based on violence. We want a peace that will be expressed in terms of a full and modern democracy at all levels, including the political, economic, social and educational levels.

With absolute sincerity, we hereby say that our hand remains open and extended to all Salvadorans, absolutely all Salvadorans, in order to find, through reason, formulas that will allow us to rebuild our homeland, stanching the wounds of war and determined, all of us together, to face the present and the future optimistically and with national willingness. We believe that no one, absolutely no one in Central America, can at this time afford the irrational luxury of war.

We are and will continue to be flexible in the search for peace. Although we must keep the law intact, the number one priority of our government is and will continue to be the attainment of peace, until the last day of our term. The channels of negotiation are open and, for our part, will remain open. No one and nothing will make us change this course of action, which responds to the express mandate we received from the Salvadoran people.

In the name of our people, we recognize and appreciate the Central American presidents' support for our effort within the peace process. We reiterate our willingness to keep working ceaselessly to achieve a peaceful, prompt, firm, stable, and verified compromise. In this context, we again make public our conviction that the cessation of all violence would create a much more appropriate climate for the continuation of the national and rational effort to attain the firm and lasting peace in the country; one that we Salavadorans—the Central Americans—and the world justly demand.

Under the extraordinary auspices of the UN secretary general within the topics agreed upon in Geneva and according to the Caracas agenda, peace may be achieved in a very short time if there is a concerted willingness to pursue it. In this summit, the Central American presidents have generously committed themselves to a specific follow-up that will undoubtedly contribute to this ultimate goal.

We are fully aware of the fact that final termination of the Salvadoran conflict is imperative for the stability and development of Central America, and that makes us feel very committed to the continuity of our peace-making endeavours, as well as satisfied to verify that our efforts have the understanding and support of fraternal governments of the region. Even though peace is the topic that concerns Salvadorans the most; let us not forget there are other important national and regional problems, such as the overall cleaning up of our economies, the group of problems in the social areas, and the joint defense of the environment. In all of those areas, as well as in others equally important that are mentioned in the [words indistinct] of finances resulting from our exchange of points of view in these two days of hard work, this summit has yielded very substantial agreements that will have vast repercussions in the future.

We all enthusiastically support the formidable and visionary initiative of ecological support of Costa Rican President Calderon Fournier. We have achieved a clear commitment for the creation of a new model of regional security, based on the very important recognition that peace in Central America is one, overall, and indivisible. The respective ministers entrusted with economic integration have been instructed so that in the next summit they will have a proposed legal instrument for the economic integration that we want to promote and consolidate, according to the new guidelines of our situations.

The agreements reached at Antigua in the field of economics, known as the Plan for Economic Action of Central America, have been complied with in the proposed terms, and they are in the process of being implemented in a short period of time, particularly in the area of the economic integration of Central America, in order to join international trade.

It is noteworthy to point out the fact that as is the case with Antigua, and with greater emphasis all the time, the economic and social topics are being complemented by the political topic, seeking new outlooks for the economic development of our peoples. The mechanisms of

integration are moving forward quickly. This is only the beginning, however. We must move from the stage of the sound and articulate initiatives to the regional structures. [sentence as heard] That is the immediate challenge for the next presidential summits.

At the United Nations, we said that as far as Central American unity is concerned, we did not have our eyes set on the past, but rather guided toward the future. Our countries have recognizable identities from which they cannot resign. That does not [word indistinct], however, the creation of structures and mechanisms that promote and develop the many aspects, needs, and possibilities we have in common.

We visualize a new Central America, with full integration and equal development. Within this concept of Central America, we believe and feel that Panama must be included, because of its proximity and because of historical considerations inherent in our times. We are unanimously pleased with the presence of President Endara at these meetings. Let us not, however, be content with that. We want Panama to become, within the shortest possible time, a full and definitive member of the current Central American community. [Applause]

We are sure that the path of peace, which runs parallel to development, widens more and more with every passing day. We have faith in Central America because the terrible lessons of the past decade cannot be in vain. We have accumulated experience and this is what gives us strength to go on. In our time, history is on the side of democracy. Time now runs in favor of democracy. This is what makes us so much responsible in the eyes of our people. Democracy must be taught, made, and be lived. The effort is a daily one.

We will meet again in El Salvador in approximately six months. The agenda is filled with responsibilities and tasks that are to be undertaken in the political, and particularly in the economic and social spheres. We must follow up the integration, democracy, and peace efforts. We must constantly watch so none of these processes gets bogged down, weakens, or gets paralyzed. When the next summit is held, we Salvadorans will receive the Central American presidents with the respect and love of always and the friendliness that is now deeper among the Central American peoples. I hope that peace will already be a reality in our homeland by that time. [Applause]

This is the last summit for our friend Vinicio Cerezo, president of Guatemala. At this solemn time, we wish to recognize his invaluable and lasting contribution to the Central American peace process, for which he has a place reserved in history. We also want to express our warmest appreciation for the fine and efficient hospitality offered to us by the Costa Rican president, government, and people, among whom we all felt at home. Finally, we are fervently praying for God to bless Central America and to help us interpret the signs of the times, so we can attain the peace and prosperity to which our peoples have so much right. In this way, we will be building the Central America of nationalities. Thanks. [applause]

Cuba

Machado Ventura Remarks on Fight Against Crime

FL1712214590 Havana Radio Reloj Network in Spanish 2042 GMT 17 Dec 90

[Text] Jose Ramon Machado Ventura, member of the Communist Party of Cuba Politburo, has noted the party members' acknowledgement of their lack of combativeness in fighting crime. He mentioned this at municipal assemblies as he assessed the fight against crime. The party leader said in Camaguey that he has been able to confirm in several dozen of those meetings how the lack of action by the part of party members in the face of possible crimes has been criticized.

Machado Ventura asserted that achievements, realities, work with results to face the special period, and that other tasks are being noted and the way to proceed in the fight against crime is being explained very courageously. He said the discussion in this regard has been held in order to face and to solve the problem, and he highlighted how party members are aware of it and how they have been able to portray the current times to the population.

Transport of Dead Pigs From Provinces Allowed

FL0712185590 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Dec 90

[Text] Health authorities do not ban the transport of dead pigs from other provinces to Havana but it does ban bringing live ones. This was explained by Dr. Jose Manuel Lopez, director of the Veterinary Medicine Institute in Havana Province, in an exclusive interview granted to Radio Rebelde. Jose Manuel Lopez stated that although there is no ban on bringing a whole pig or a part of it, it is possible that a specific disease could cause the transfer of the dead animal to be absolutely banned in a certain area in the country, he explained, however, that there are no limitations at the moment.

The specialist noted that Havana Province residents can bring live pigs from other areas of the country as long as they comply with health requirements. Among these is the requirement to have the appropriate health license, which has to be obtained at the breeding place.

Dr. Jose Manuel Lopez also said that each person can have the number of pigs he wants to as long as he has the ability to feed the pigs with his own resources. Since pig breeding was authorized in Havana Province on 1 October of this year, over 17,000 people have already become involved in this endeavor. It is estimated that the number will rise because of the way in which the measure has been accepted.

Castro Diaz-Balart Meets With Brazilian President

FL1712224090 Havana Radio Reloj Network in Spanish 2104 GMT 17 Dec 90

[Text] Brazilian President Fernando Collor de Mello met with Fidel Castro Diaz-Balart, secretary of the Atomic Energy Commission of Cuba, in Brasilia today. They discussed Latin American unity during the meeting. The Cuban official said our country is very interested in developing good relations with Latin American nations and making regional unity a reality.

The secretary of the Atomic Energy Commission of Cuba noted that the Caribbean island is interested in a greater technological exchange with Brazil and can offer its advances in the pharmaceutical area, while the giant South American country can offer its cooperation in the nuclear field. Castro Diaz-Balart made reference to the vaccine production technology, among them the meningitis type-B, which Brazil is currently importing from Cuba.

Comments on Socialism, Nuclear Reactor

FL1812134590 Havana Tele Rebelde Network in Spanish 1200 GMT 18 Dec 90

[Text] Fidel Castro Diaz-Balart, president of the National Atomic Energy Commission, has declared in Brazil that Cuba will remain on the socialist path, as socialism is the country's national identity. After a tour of Rio de Janeiro, Castro Diaz-Balart went to Brasilia, where he met with Brazilian President Fernando Collor de Mello. Similarly, in statements to the newspaper FOLHA DE SAO PAULO, Diaz-Balart said that, far from being isolated as the United States would wish, Cuba has relations with over 100 countries.

Fidel Castro Diaz-Balart also said that Cuba will complete its first electronuclear reactor in Cienfuegos in 1993.

DFLP Spokesman Hails Solidarity, Positions

FL1712191690 Havana Tele Rebelde Network in Spanish 1800 GMT 17 Dec 90

[Text] Cuba's solidarity and its positions with regard to the Palestinian problem were praised in Beirut during a ceremony on the anniversary of the intifada in Gaza and the Transjordan.

Referring to our country's support for the Palestinian rebellion, Abu-Yasir [Yasir 'Abd Rabbuh], member of the Politburo of the Democratic Front for the Liberation of Palestine [DFLP], emphasized that Cuba has shown that a country does not have to be large or powerful in order to preserve its sovereignty and speak with its own voice.

Haiti

Preliminary Report on Haitian Election Results

FL1712230690

[Editorial Report] Port-au-Prince Radio Nationale in Creole at 2200 GMT on 17 December carries a report with the Provisional Electoral Council (CEP) press information officer giving preliminary, incomplete results from the CEP Press Center for the presidential elections held 16 December. He provides the following results:

Jean-Bertrande Aristide—70 percent;
Marc Bazin—13 percent;
Louis Dejoie—6.9 percent;
Hubert De Ronceray—3 percent;
Sylvio Claude—2.55 percent;
Pierre Latortue—1 percent.

The other votes are spread among the remaining six candidates.

CEP Announces Partial Results

FL1812021090 Port-au-Prince Radio Nationale in French 2200 GMT 17 Dec 90

[Text] The following is the first list of partial results of the 16 December elections listed by department. Further results will be issued as they become available from the Provisional Electoral Council [CEP].

Northeastern Department

National Party of Labor [PNT]	Thomas Desulme	13
Independent	Fritz Simon	10
National Alliance for Democracy and Progress [ANDP]	Marc Bazin	416
Movement for National Reconstruction [MRN]	Rene Theodore	35
National Front for Change and Democracy [FNCD]	Jean-Bertrand Aristide	4,116
Haitian Party of God [PARADIS]	Richard Vladimir Jeanty	11
Democratic Movement for the Liberation of Haiti [MODELH-PRDH]	Francois Latortue	79
Haitian Christian Democratic Party [PDCH]	Sylvio Claude	23
Mobilization for National Development [MDN]	Hubert de Ronceray	33
National Cooperative Action Movement [MKN]	Volvick Remy Joseph	15
Agricultural and Industrial National Party [PAIN]	Louis Dejoie	39

The total number of votes recorded for Northeastern Department is 4,790.

Southern Department

PNT	Thomas Desulme	338
Independent	Fritz Simon	102
ANDP	Marc Bazin	1,526
MRN	Rene Theodore	329
FNCD	Jean-Bertrand Aristide	11,385
PARADIS	Richard Vladimir Jeanty	137
MODELH-PRDH	Francois Latortue	111
PDCH	Sylvio Claude	474
MDN	Hubert de Ronceray	319
MKN	Volvick Remy Joseph	191
PAIN	Louis Dejoie	1,750

The total number of votes recorded for Southern Department is 16,662.

Western Department

PNT	Thomas Desulme	7
Independent	Fritz Simon	4
ANDP	Marc Bazin	161
MRN	Rene Theodore	6
FNCD	Jean-Bertrand Aristide	2,512
PARADIS	Richard Vladimir Jeanty	2
MODELH-PRDH	Francois Latortue	5
PDCH	Sylvio Claude	19
MKN	Volvick Remy Joseph	9
PAIN	Louis Dejoie	18

The total number of votes recorded for Western Department is 2,751.

Center Department

PNT	Thomas Desulme	41
Independent	Fritz Simon	7
ANDP	Marc Bazin	1307
MRN	Rene Theodore	33
FNCD	Jean-Bertrand Aristide	1,168
PARADIS	Richard Vladimir Jeanty	12
MODELH-PRDH	Francois Latortue	90
PDCH	Sylvio Claude	229
MDN	Hubert de Ronceray	55
MKN	Volvick Remy Joseph	23
PAIN	Louis Dejoie	59

The total number of votes registered for Center Department is 3,024.

The interim totals for these four departments are as follows:		
PNT	Thomas Desulme	399
Independent	Fritz Simon	123
ANDP	Marc Bazin	3,410
MRN	Rene Theodore	403
FNCD	Jean-Bertrand Aristide	19,181
PARADIS	Richard Vladimir Jeanty	162
MODELH-PRDH	Francois Latortue	285
PDCH	Sylvio Claude	745
MDN	Hubert de Ronceray	415
MKN	Volvick Remy Joseph	238
PAIN	Louis Dejoie	1,866

The total number of votes registered for the four departments is 27,227.

Percentage figures for the four departments follow:		
PNT	Thomas Desulme	1.5%
Independent	Fritz Simon	0.5%
ANDP	Marc Bazin	12.6%
MRN	Rene Theodore	1.5%
FNCD	Jean-Bertrand Aristide	70.6%
PARADIS	Richard Vladimir Jeanty	0.6%
MODELH-PRD	Francois Latortue	1 %
PDCH	Sylvio Claude	2.7%
MDN	Hubert de Ronceray	1.5%
MKN	Volvick Remy Joseph	0.9%
PAIN	Louis Dejoie	6.9%

CEP Issues Communique on Balloting Conduct

FL1712205090 Port-au-Prince Radio Nationale in French 1844 GMT 17 Dec 90

[Communique signed by Jean-Robert Sabalat, president of the Provisional Electoral Council (CEP), in Port-au-Prince on 17 December]

[Text] The CEP wants to once more thank the Haitian people whose patriotic sense has allowed the normal process of the 16 December ballot. The discipline and the seriousness shown by the people, despite the technical difficulties experienced in the setting up of the 14,000 Bureaus for Registration and Vote throughout the country, are further proof of their dignity and pride. The CEP also thanks the Haitian Army for giving their support, with the utmost professionalism, to the electoral process and for providing widespread security to the voters. We also thank lawyer Ertha Pascal Trouillot's provisional government for the considerable financial and logistic help.

The CEP asks all healthy elements of the society to maintain their discipline to the end. The CEP needs to have peace during the counting of the ballots in order to provide a speedy announcement of the final results which must reflect faithfully the authenticity of the ballots. The CEP asks everyone not to heed any news or any information concerning the ballot, from whatever source it may come, and to wait for the CEP publication of the results.

Haitian people, the world's eyes are watching you. Hold high the flame of your struggle for honor and dignity.

Spontaneous Victory Celebration Noted in Capital

FL1712182090 Port-au-Prince Radio Metropole in French 1450 GMT 17 Dec 90

[Excerpts] People are starting to rally around the National Palace. People are driving around in cars while the military watches from the balcony of the Haitian Army High Command building. There is a great demonstration already on Grand Rue [main street of Port-au-Prince]. Crowds numbering in the thousands are moving back and forth, waving pictures of Jean-Bertrand Aristide or tree branches, driving cars with the lights on, or blowing horns and chanting.

All of this is to celebrate a victory that has not been declared by the Provisional Electoral Council [CEP]. We point out, after talking to a member of the CEP, that partial results might be published by midday. The population is impatient today and they have come from almost all neighborhoods to the downtown area. Grand Rue is virtually packed on this 17 December, which the government has declared a holiday. It is a party that the Haitian people are giving themselves in celebration of a victory that has not yet been declared. You can hear from far away the cheers and horn honking and see tree branches being waved at passersby everywhere in Port-au-Prince.

I just learned from mobile unit 20 that on Grand Rue, on the southern side [Carrefour Road] there is a similar party celebrating victory. If Port-au-Prince woke up expecting the official results of these elections, the population became impatient and did not respect some of the advice to wait for the official results. So today there is a demonstration of people waving tree branches or pictures of Aristide.

[Begin recording] [Mobile unit 20 reporter] The same atmosphere prevails here. Carrefour Road is practically blocked by demonstrations organized by Father Aristide's partisans, who are already proclaiming him the president of Haiti, although the CEP has not issued a press release. There is a party atmosphere on Carrefour Road.

[Mobile unit 17 and 18 reporter] We have observed the same thing while driving around on the streets. The crowd is not only made up of Aristide's partisans, but also the general population. We see children, the elderly, and young people; everyone is behaving the same way, it is almost like a carnival. It is an explosion of joy, a

waving of tree branches and pictures of Father Jean-Bertrand Aristide. [passage omitted] We will continue patrolling until the CEP press release. [end recording]

We point out that several news conferences are scheduled today, notably one by former U.S. President Jimmy Carter at 1300 at the El Rancho Hotel. The delegation of the National Republican Institute will also issue a press release at 1100. The OAS observers will issue one at 1000. [passage omitted]

Countrywide Revelers Anticipate Aristide Victory

FL1712213090

[Editorial Report] Port-au-Prince Radio Soleil Network in Creole at 1615 GMT on 17 December reports that Aristide supporters are demonstrating in the streets of Cap-Haitien and Les Cayes, cheering, waving tree branches, flags, and pictures of their candidate, asserting that Father Jean-Bertrand Aristide "is already president" and that "they have no need of the [official] election results."

According to Port-au-Prince Radio Metropole in French at 1700 GMT 17 December, young people are dancing in the streets of the capital, "to celebrate the not-yet-official victory of Father Jean-Bertrand Aristide." Although no official results have yet been announced by the Provisional Electoral Council [CEP], detailed accounts tacked to the doors of the election bureaus show Father Aristide leading, "followed from a great distance by his main rival, the National Alliance for Democracy and progress candidate, Marc Bazin."

An Aristide-inspired celebration fills the streets of Gonaives as well, according to Radio Metropole correspondent in the upper part of Artibonite. He observes that not since Jean-Claude Duvalier was overthrown in 1986 has the country shown such "demonstration of joy."

Port-au-Prince Radio Nationale in Creole at 1815 GMT 17 December reports festivities in the streets of Miragoane, where demonstrators "wave Aristide posters and tree branches," confident that their candidate already "won the ballot," despite the fact that voting had still been going on as late as this morning, and that by 1630 GMT, all the ballots had not yet been counted.

Another Radio Nationale correspondent reports, however, that the post-election situation in the southern region of Cavaillon is "tense," pending the announcement of the presidential election results. He believes that the differences of opinion being voiced in the streets could escalate into overt conflict. A further update on this situation will be provided later.

Despite the CEP's intention to announce the first partial outcome of the countrywide election by the middle of the day, results from the provinces have not yet reached Port-au-Prince because of initial delays in the transport of balloting materials to some of the more remote areas. Definitive results should be available tonight.

Police Reportedly Fire on Aristide Gathering

FL1712224190 Port-au-Prince Radio Soleil Network in Creole 1930 GMT 17 Dec 90

[Interview with eyewitnesses to a shooting by unidentified correspondent]

[Text] A pregnant woman was shot in the Cite-Soleil area while a car driven by police was passing by.

[Begin recording] [First eyewitness] While we were cheering for Aristide, we saw that we were being shot at from several blue [police] cars. While the woman was crossing the street, they shot her.

[Reporter] What about the car with the tag, B-17?

[First eyewitness] The guys wearing blue uniforms [police] shot her.

[Reporter] They say that after the woman died, the car ran over her?

[First eyewitness] No car ran over her. That is not true.

[Second eyewitness] Those guys in blue shot her, then ran over her while she was running. [end recording]

Observers Estimate Large Voter Turnout

FL1712200290 Port-au-Prince Radio Soleil Network in Creole 1615 GMT 17 Dec 90

[Text] The Provisional Electoral Council [CEP] is only now starting to count the ballots so that partial results can be issued. Those results might be issued by this afternoon. The National Front for Democracy and Change [FNCD] supporters, however, who voted for Father Jean-Bertrand Aristide are on the streets today.

[Begin recording] [Reporter] Before describing the atmosphere in front of the Holiday Inn Hotel, we must talk about the OAS news conference scheduled for today. This news conference did not last too long because the demonstration on the streets prevented the observers from continuing the conference because they were too eager to go watch what was going on outside. The main reason for the conference was to discuss what the OAS observers had witnessed during the voting process yesterday. The observers said that everything went well and they estimated a 70-percent voter turnout. Any irregularities that were noticed were not important enough to influence the outcome of the voting. So, according to the observers, the elections went well. Although they foresee who the winning candidate is, they cannot infringe on the CEP's authority by issuing partial results. [end recording]

Report Emphasizes Carter's Remarks on Elections

FL1812010090 Port-au-Prince Radio Soleil Network in Creole 1930 GMT 17 Dec 90

[Report on news conference by former President Jimmy Carter and his staff at the El Rancho Hotel, Port-au-Prince, 17 December—recorded]

[Excerpts] [Passage omitted] Former U.S. President Jimmy Carter, head of a delegation of members of the Association of Freely Elected Chiefs of State, after observing the Haitian electoral process, said that it went very well, except for the 5 December incident which left seven dead and more than 50 wounded in the wake of a bomb explosion.

Carter admitted that some irregularities occurred in the voting process yesterday. There were many [organizational] problems in the Bureaus for Registration and Vote [BIV's], but these problems were quickly solved. The former American president said that these problems concerned only four percent of the BIV's in the Port-au-Prince area, and that this situation needs to be seen by countries where democracy is well established and elections are regularly held.

He congratulated the Haitian Armed Forces for the remarkable work they performed during the elections and the electoral process. According to Mr. Carter, the results of the elections in the many places he and his delegation visited show that these elections were different from elections in recent years.

George Price [not further identified] said that the Provisional Electoral Council [CEP] is counting the votes at the moment and that they are awaiting the results. Their observations lead them to believe that there will be a definitive result from the first ballot. [passage omitted] The members of this delegation headed by former President Carter said that they are ready to support Father Aristide if he wins the elections.

Carter advised that he had met with the minister of the interior and General Abraham about election security yesterday afternoon. The elections were free and honest, Carter asserted. Candidates who participated in these elections must accept the results. Mr. Carter also discussed a meeting he had with presidential candidate Jean-Bertrand Aristide, who told him he is confident about the Armed Forces' agreement to protect him if he wins the elections. [passage omitted]

Carter said that the Haitian people are very determined that democracy be established in their country, and that they will not make attempts on the life of Father Jean-Bertrand Aristide. He said that the demonstrations held today in the capital and several of the provinces throughout Haiti reflect the people's joy. [passage omitted]

Trinidad and Tobago

Opposition PNM 'Handsomely' Wins By-Election

FL1812150590 Bridgetown CANA in English 1313 GMT 18 Dec 90

[Text] Port of Spain, Trinidad, Dec 18, CANA—The minority opposition People's National Movement (PNM) handsomely won a by-election in west Trinidad on Monday, capturing the seat from the ruling National Alliance for Reconstruction (NAR).

The results of polling in the Diego Martin Central constituency showed the PNM candidate, insurance executive Kenneth Valley, with a comfortable margin of victory of 1,257 votes over his nearest rival, former Health Minister Clive Pantin of the NAR.

The by-election, seen by political observers here as a barometer of current public support for the major parties in the run-up to an expected general election next year, was occasioned by the death of former NAR representative Leo des Vignes. Des Vignes, a rookie MP [member of Parliament] who took the seat in the 1986 general election when the NAR ended 30 years of PNM rule, died in hospital after sustaining a gunshot wound during last July's abortive coup attempt against the government.

According to the by-election results, Valley polled 5,278 votes, Pantin 4,021, Trevor Balmosa of the newly-formed official opposition United National Congress (UNC) obtained 675 votes, and Aiyegoro Ome of the black Nationalist National Joint Action Committee (NJAC) 329 votes.

The victory takes the tally of PNM seats in the 36-member House of Representatives to four.

Pantin Quits After Defeat

FL1812162590 Bridgetown CANA in English 1422 GMT 18 Dec 90

[Report by Linda Hutchinson]

[Text] Port of Spain, Trinidad, Dec 18, CANA—Former Health Minister Clive Pantin, who resigned from cabinet to contest a by-election in western Trinidad on Monday, announced his retirement from politics after going down in defeat to the candidate of the minority opposition People's National Movement (PNM).

"I'm out of active politics now," a tearful Pantin told supporters Monday night as he conceded defeat before the count of votes had ended. He, however, maintained that the ruling National Alliance for Reconstruction [NAR] was "the only party to guide the country towards the 21st century." [passage omitted including previously filed material]

An elated Valley told supporters the PNM was "now moving forward to take our rightful place as head of the country." "Only the PNM can save the country," he

added. The PNM was toppled by the NAR in the 1986 general election after 30 years in power.

University of the West Indies (UWI) pollster Dr. Selwyn Ryan said the defeat suggested "the end of the line" for the NAR in forthcoming general elections expected next year. Political observers saw the Diego Martin Central ballot as a sort of mini-referendum on the NAR government and also as a barometer for guaging how the major parties fared in the electorate's eyes.

"Not having won this constituency which is the best chance in social composition, there is no other constituency which the NAR could win again," Dr. Ryan told CANA [CARIBBEAN NEWS AGENCY].

"I don't see any possibility of an NAR victory in any elections," Ryan added, forecasting more people will come over to the PNM as a result of the victory.

Some 10,312 eligible voters or 54 percent of the Diego Martin electorate of 19,000, cast ballots in the by-election. There were nine spoilt ballots. Political analyst Dr. Hamid Ghany blamed the NAR defeat on the low voter turn-out.

"If there was a higher voter turn-out at polling stations, the NAR could have secured victory," he said.

The NAR was formed as a coalition of four parties for the purpose of defeating the PNM in 1986. After achieving this objective, factionalism broke out within the NAR ranks, resulting first in the pull-out of the Tapia House Movement and eventually the former United Labour Front (ULF) led by Basdeo Panday, which subsequently became the UNC [United National Congress].

Austerity measures adopted by the NAR government to correct a decline in the economy also contributed to public disaffection.

Costa Rica

* Budget Supplement Approved by Congress

91CA0031A San Jose LA REPUBLICA in Spanish 5 Oct 90 p 8

[Text] Following a third debate concerning the special budget of 24 billion colones in bonds sent by the executive branch to the Congress, it was approved.

With these resources, the government hopes to cover wage increases for government employees and pensions, to finance universities, and to allocate 500 million colones for specific items.

The liberationist legislators did not vote for this expenditure plan, which had the support of 24 social Christian parliamentarians and independent parliamentarians Jorge Rodriguez and Carlos Fernandez.

Only about 188 million colones of this budget amount represent current income deriving from a reassessment made following an increase in the taxes imposed on banana growers.

This budget has been much criticized because it relies on an increase in domestic public debt of a total of 75 billion colones in bonds. Even legislator Miguel Angel Rodriguez said that approval of such a budget was shameful, but he emphasized that there was no other solution. The liberationists did not propose any alternative whereby this bond issue could be avoided, either.

During the plenary session of the Congress, the deputies sent a proposal to the committee calling for municipalities to impose taxes which would not have to be approved by the parliament.

In addition, following the third debate, the agreement on privileges and immunity for those experts sent to Costa Rica by the Netherlands for technical cooperation was ratified.

The members of the Assembly sent draft reforms of the Organic Law on the Office of the Comptroller General of the Republic to the committee, and began reading the proposed changes in the Law on the Financial System for Housing, which includes the free housing bonus.

* Government Workers Face Dismissal in 1991

91CA0031C San Jose LA REPUBLICA in Spanish 31 Oct 90 p 6

[Article by Karen Asch]

[Text] With the implementation of the plan for dismissals the government has drafted as a part of the so-called Labor Mobility Program, a total of 6,548 government employees will be unemployed as of January of 1991.

This charge was made yesterday by the National Association of Public Employees (ANEP), which announced the details of the dismissal plan, as well as its adamant opposition to it.

According to the document, the posts will be eliminated in two stages, the first covering the months of November and December, and the second on 1 January 1991. The table shows in detail the number of jobs which will be eliminated for each institution.

Johnny Garcia, the secretary general of the ANEP, and the deputy secretary, Alvino Vargas, said that the program represents a response to the conditions established by the IMF.

"The economy of Cost Rica is being placed in the hands of terrorists who, confined within their own four walls, are ignoring the social dimensions of the problem. It is painful that during the Christmas season, they are going to dismiss 2,278 workers, and on New Year's Day, another 4,270," Vargas said.

The trade unionists announced that sponsorship of a national front to oppose the massive dismissals and in support of national sovereignty has already begun. To this end, the ANEP is scheduling a meeting for the entire trade union movement to be held at 5:00 pm on Thursday, 1 November, in the reception hall of the National Museum, they said in conclusion.

Meanwhile, President of the Republic Rafael Angel Calderon said that within the Labor Mobility Program there are specific plans to be carried out to promote the small and cooperative business sectors, to which many government employees can transfer their job contributions.

He admitted, however, that the government needs to reorganize a number of institutions and to transfer some 7,000 government employees to the private sector, as has been done on other occasions.

"There are institutions which are losing hundreds of millions every year, and we believe that we cannot continue to inflict these losses on the citizens of Costa Rica," he said.

He added that the vast majority of government employees will be accommodated through the aforementioned plans and the Labor Mobility Program. "There will be others who are affected, but fortunately, along with this, we are developing programs in the productive social sector, in addition to programs which will provide us with more enterprises in the free industrial zones," he said in conclusion.

* Opposition Voiced to President's IMF Deal

91CA0031E San Jose LA REPUBLICA in Spanish 1 Nov 90 p 6

[Text] Former President Rodrigo Carazo said yesterday that in the economic sector, the IMF is governing Costa Rica.

"The International Monetary Fund is the government. It tells us how much to lend, how much to spend, how much to collect in taxes, how many public employees must be dismissed, and it also tells us what the monetary policy must be," the former head of government said.

President Rafael Angel Calderon, who served as foreign minister in Carazo's government, recently announced that an agreement in principle has been reached with the IMF, and a document providing the country with access to fresh funds for the economy will be signed before the end of the year.

Carazo said, however, that the agreement with the IMF "has been arranged at the expense of the people of Costa Rica."

"Everything is possible. It is even possible for the people to cease eating. What happens is that they die," Carazo commented ironically, referring to the sacrifices required by the economic program sponsored by the IMF.

During his term in government, Carazo broke off relations with the IMF. As a result, Costa Rica ceased to obtain economic resources from international financial bodies.

Carazo's criticism came one day after Calderon explained the commitments made to the IMF to his cabinet ministers. They include the elimination of 7,000 government jobs, the resignation of Minister of Labor Erick Thompson "for personal reasons," and increasing trade union tension.

* Trade Imbalance of 40 Billion Colones Seen

91CA0031D San Jose LA REPUBLICA in Spanish 14 Sep 90 p 4

[Article by Wilmer Murillo]

[Text] The trade balance deficit, according to the projections of the government, will reach 40 billion colones this year, the figures provided by Minister of Foreign Trade Roberto Rojas Lopez show.

This official emphasized that this poses a much more serious problem than the fiscal deficit, "which can be resolved by means of a political determination, as it seems to me has already been been done, with the approval of the tax package by the Legislative Assembly." He said, however, that the trade deficit is a more complex problem to resolve, because exports cannot be created overnight.

"It is possible to prohibit certain imports or to impose surtaxes, but this would be very serious, since such a choice creates other difficulties. As a result, nothing has been decided in this connection," he indicated.

Rojas asked that it be remembered that it is not the same thing to refer to the trade balance deficit as it is to speak of the deficit in the balance of payments, since the trade balance refers only to the export volume versus the import volume. The balance of payments, for its part, includes other accounts, such as income from tourism, which came to $200 million last year.

Another source of hard currency is represented by investments coming into the country. This is why it is so important to promote foreign investments, because they help to cover the dollar deficit which our trade in goods is not covering.

Another source is represented by foreign resources obtained through loans and allocated to make up the trade balance deficit. In the past ten years, this source has been used to cover the deficit as a last resort, Rojas said.

This year, the projections point to a trade balance deficit of $400 million. But Rojas said that the most serious aspect is the trend toward an ever wider gap between exports and imports, which it becomes harder to cover. And what the head of the Foreign Trade Ministry proposes in order to deal with the problem is an effort to promote a speedy increase in investment and tourism.

In addition, a program is under way to limit imports, while placing greater emphasis on exports and increasing their value through minidevaluations of the currency. A major devaluation would cause imports to decline, but such a measure would have inflationary implications. Therefore, the minidevaluation mechanism has been adopted as a process which helps to make exports more attractive and imports less so, he emphasized.

Because the problem demands more forceful measures, there are those, however, who are talking about imposing surtaxes or prohibiting some imports.

Rojas believes that minidevaluations, though they make supplies more expensive, are a phenomenon which is offset by the overvaluation of foreign shipments. On the other hand, a minidevaluation has the effect of ensuring that fewer finished goods and luxury products will be imported. And, he stressed, it is in this connection that they prove to be a healthier measure than imposing surtaxes on certain articles.

The current problem is the result of "overheating" the economy, which made many colones available and led to many imports of luxury products.

He made it very clear that the trend toward an increase in the trade deficit must be reversed. "And if we want to continue to live with the same level of imports and maintain the same level of economic well-being, it is necessary to increase the volume of exports. This is an obvious truth," he concluded.

* Record Four Million Bag Coffee Harvest

91CA0031F San Jose LA REPUBLICA in Spanish 14 Sep 90 p 4

[Article by Wilmer Murillo]

[Text] The country will have additional income in the amount of $100 million (about ten billion colones) from

the sale of the new coffee harvest, Engineer Roberto Rojas Lopez, the minister of foreign trade, has announced.

This report, which strikes a positive note in the midst of the economic crisis the country is experiencing, came from Engineer Rojas at the conclusion of the monthly luncheon of the Costa Rican-North American Chamber of Commerce (AMCHAM) at the Union Club, where he was the principal speaker.

Rojas said that a record harvest of four million sacks is expected. He also reported that it will be sold at $20 more than was obtained for the preceding harvest, such that the income from coffee will be greater by ten billion colones.

This increase in coffee prices will offset the decline experienced last year, mainly because of the difficulties in signing a new international coffee agreement.

The reason for the failure of these negotiations held in London was that the member countries of the International Coffee Organization (OIC) could not reach agreement on amendments to provide the pact with a fairer basis. The countries producing the "other mild" varieties, including Costa Rica, were demanding a larger quota. As a result of that demand and because of a surplus crop of coffee in Brazil, prices fell drastically on the international market. As the market came back into balance, prices have finally begun to improve, he said.

* Banana Exports Rise 14 Percent

91CA0031G San Jose LA REPUBLICA in Spanish 27 Oct 90 p 2

[Text] With what is regarded as an increase in domestic banana production, exports of this product exceeded 36 million cases in the first half of this year, National Banana Corporation (CORBANA) officials have announced.

Sales brought in foreign exchange income in the amount of $156.3 million for export enterprises, $7,167,176 for the national treasury, and $570,573 for the municipalities. It is estimated that if the rate of increase in exports seen in recent years continues, Costa Rica will have exported 75 million cases of bananas by the end of 1990, which would represent foreign exchange income in the amount of $319 million. Each case of this fruit weighs 18.14 kg.

"Banana activity continues to be the second most important source of foreign exchange for the country, and the expectation is that it may take the lead, thanks to the Area Restitution Plan and advances in research which have raised productivity on the plantations," Engineer Jose Alvaro Sandoval, the general manager of the CORBANA, commented.

In comparison to the same period last year, banana exports saw an increase of more than 4.6 million cases, or more than 14.49 percent, Engineer Sandoval said.

The canton of Pococi continues to be the leader in volume exported, with 9,810,371 cases, representing 26.8 percent of the total. Siquirres, which exported 8,698,846 cases (23.76 percent of the total), ranks second, and the canton of Matina is in third place with 5,218,221 cases, accounting for 14.25 percent.

Exports from the Pacifico Sur zone increased by 56.61 percent, with a total of 583,702 cases from the cantons of Corredores and Golfito. This surpassed production for the preceding year, which came to 382,486 cases.

Of the total, 71.73 percent was exported by the Standard Fruit Company (13.9 million cases) and the Banana Development Corporation (12.3 million cases). The Atlantic Banana Company exported 4.6 million cases (12.8 percent), while the rest of the bananas exported were sold by the Costa Rican Banana Marketing, Chiriqui Land Company, and Uniban enterprises.

El Salvador

FMLN on Plot To Kill Witnesses in Jesuit Case

PA1712222290 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 90

[Bulletin issued by the Farabundo Marti National Liberation Front (FMLN)—read by announcer]

[Text] We report the following in regard to the investigations that have been conducted into the murder of Captain Herrera Carranza, one of the individuals involved in the massacre of the Jesuit priests:

1. On 20 November Commander Colonel Leon Linares, commander of Military Detachment [DM] No. 4, ordered Captain Herrera Carranza to carry out a strange mission that involved approaching an area of Gotera where a group of FMLN combatants was calling the soldiers with a megaphone to desert.

According to Col. Leon Linares' order, Captain Herrera Carranza was to approach the area with only a small number of soldiers and reply to the FMLN combatants' arguments by megaphone.

2. A few minutes after leaving the DM-4 garrison, Capt. Herrera Carranza was killed by a shot in the head. In addition, all of the soldiers who accompanied him were also killed. Their bodies were left at the site because Col. Leon Linares did not care to pick them up.

3. Our intelligence reports confirm that Col. Leon Linares ordered the murder of Capt. Herrera Carranza and his men in order to silence Carranza, because this officer had proof of the responsibility of Colonels Ponce and Zepeda, and Leon Linares himself, who was the Atlacatl Battalion commander at the time of the the Central American University Jesuit case.

4. This report confirms that Capt. Herrera Carranza was murdered as part of a criminal plot to eliminate key witnesses. This campaign has already claimed several

lives in the Army ranks. We will continue to reveal new evidence about this conspiracy headed by the defense minister, who has his sights on other officers who are also involved in the massacre.

Weekly Roundup of Combat Activity Reported

PA1712133390

[Editorial Report] San Salvador Canal Doce Television in Spanish at 0300 GMT on 8 December carries a two-minute report on a FMLN (Farabundo Marti National Liberation Front) attack on a bank in San Salvador. Military sources are cited as reporting that the FMLN detonated a powerful bomb at the Farm and Business Bank on Cuscatlan Avenue.

It is also reported that a soldier from the Arce Battalion was killed during a guerrilla ambush in Lolotique in San Miguel Department and in Usultan Department, three soldiers and three civilians were wounded when FMLN columns attacked a patrol near Jiquilisco.

(Clandestine) Radio Vencermos in Spanish to El Salvador at 0000 GMT on 13 December reports fierce fighting on 12 December against three companies of the No. 1 Military Detachment, beginning at 0105 in El Gallinero Hill in Chalatenango. The FMLN claims to have inflicted 15 casualties on the enemy, including one company commander killed and a sergeant wounded. Destruction of military equipment, including a PRC-67 radio communications set, is reported. Radio Venceremos states that government forces responded to the attacks by ordering the bombing of the heavily-populated area; civilian casualties were reported.

Radio Venceremos also carries reports from the Francisco Sanchez Northeastern Front that FMLN forces attacked the 3d Infantry Brigade on 11 December at 1045 [1645 GMT] with mortar fire, which resulted in 14 3d Brigade casualties: four dead and 10 wounded.

On 11 December at 2315, FMLN units are reported to have attacked troops of the 3d Infantry Brigade in Chapeltique, San Miguel Department. The FMLN claimed, after an hour of fighting, to have taken five enemy positions, inflicting two killed and seven wounded on the government forces. The FMLN is also reported to have inflicted two casualties on troops of the Lenca Battalion at the Alejandria ranch in Osicala, Morazan Department, and two more casualties on the Cacahuatique Battalion of the 4th Military Detachment along the highway from Delicias de Concepcion to La Antena. On that same day, the FMLN claimed to have forces attacked troops of military Detachment No. 1 at the Chalatenango Garrison, but does not know how many casualties the government forces suffered during the three-hour attack.

At 0130 on 11 December, Radio Venceremos reports that FMLN troops attacked positions in El Refugio and La Palma, in Chalatenango Department, but thus far, the FMLN has not confirmed how many casualties were inflicted on the government forces.

At 0000 on 11 December, FMLN artillery was reported used to attack the police post in Nueva Concepcion, Chalatenango Department; the number of casualties has not been confirmed. On the same day, FMLN troops claimed inflicting 15 more casualties on the enemy in Cabanas Department along the highway from San Isidro to Las Vainillas. At 1045, FMLN troops were reported to have ambushed a pick-up truck carrying troops from Sensuntepeque to Ilobasco, completely destroying the vehicle.

Radio Venceremos concludes its report noting that on 13 December at 0600, FMLN forces took control of a sector of the Northern Trunk Highway at the 68 km marker. They put up a roadblock, stopped about 10 buses, and carried out propaganda activities with 600 to 700 people in the area. The FMLN troops controlled the area for two hours.

San Salvador Radio Cadena Sonora in Spanish at 1800 GMT on 14 December updates a Coprefa (Armed Forces Press Committee) report. It says that troops of Military Detachment No. 1 found the bodies of four FMLN terrorists in Varillon Hill near Chalatenango. Coprefa had reported a clash with rebels in the area, in which four soldiers were killed.

Radio Cadena Sonora also reports that at 0500 on 13 December, troops from Military Detachment No. 4 repelled a terrorist attack at the Altos del Aguacate Base in Morazan Department; there were no casualties reported.

Guatemala

Powerful Bomb Explodes Near Police Headquarters

PA1712134990 Mexico City NOTIMEX in Spanish 0639 GMT 17 Dec 90

[Text] Guatemala City, 17 Dec (NOTIMEX)—A powerful bomb exploded in the evening of 16 December (2300 local time). It exploded one block from the headquarters of the National Police's General Directorate and caused serious damage to businesses.

Guatemala City volunteer firefighters who heeded the emergency call estimated that the damage could reach 20,000 quetzales (about $4,000). The emergency services have not reported any casualties yet.

The explosion took place only hours after serious disturbances in Peronia, a squatter settlement on the outskirts of southern Guatemala City. According to the most recent unofficial reports, at least 50 people were arrested and the number of injured has not yet been determined. Peronia residents torched buses to protest the increase in fares, the police were sent in, and there was a shoot-out.

URNG Guerrillas Dynamite Bridge; Five Killed

PA1712161290 Panama City ACAN in Spanish 1517 GMT 17 Dec 90

[Text] Guatemala City, 17 Dec (ACAN-EFE)—The police have reported that five people traveling in two vehicles were killed at dawn today when a guerrilla group blew up a bridge on the highway to the Pacific side.

According to preliminary reports, several dynamite charges blew up the bridge on the Moca River on km 134, near Rio Bravo, Suchitepequez. An official at the Police Press Office told ACAN-EFE that "a trailer and a private vehicle were apparently on the bridge when the explosion occurred."

Leaflets of the Guatemalan National Revolutionary Unity (URNG), an organization comprised of four guerrilla groups that are fighting the government of President Vinicio Cerezo, were found at the explosion site.

A powerful bomb also exploded near the Police General Directorate at dawn today in Guatemala City, causing structural damage to several shopping centers and private homes. The police reported that the explosive was planted outside a store "and was apparently a dynamite charge;" its shockwaves shattered windows of buildings in the vicinity.

Nicaragua

Chamorro To Veto Budget Law Approved by Assembly

PA1712151090 Managua Radio Sandino in Spanish 1200 GMT 17 Dec 90

[Interview with President Violeta Chamorro and Presidency Minister Antonio Lacayo by reporter Jose Esteban Quezada in Managua on 15 December—recorded]

[Text] [Quezada] Will you veto or sanction the budget law?

[Chamorro] I will veto this law because I did not like the way it was presented; however, I want to point out that this does not mean that I am opposed to facing these problems. On the contrary, I favor disarmament and Army reduction because I have been implementing this reduction for a long time—as you know very well—and I want my country to have an Army of approximately 22,000 members, similar to the Army of Costa Rica.

At this time, there is no money to implement a budget as the National Assembly suggested because we are bankrupt. Therefore, I will try to solve this matter on Monday, 17 December.

[Quezada] In other words, will you veto this law?

[Chamorro] Yes.

[Quezada] Engineer Lacayo, what do you have to say?

[Lacayo] I think that the president has been very clear. One thing is the military reduction that she has promoted since early May. This has resulted in a two-thirds reduction of the Army since she took over. A different thing is to try, like the National Assembly has done, to drastically cut the defense budget in order to improve things. This may endanger the reduction process in the Army that should continue. It will, however, continue at a reasonable, unified, and sensible pace so that the process will be as smooth as it has been in previous months.

[Quezada] Will you try to reach an agreement with the UNO [National Opposition Union] legislators who approved the law in the Legislative Assembly?

[Lacayo] Yes, indeed. I think that this is the only [words indistinct] the president is going to talk to the UNO legislators and explain to them her viewpoint. Recently, there has been no interest in learning the president's viewpoint. She will explain to them that she is the main promoter of demilitarization in this country, but she will also make it clear that she must take into account national security concerns.

More Bomb Attacks at Homes of UNO Mayors

PA1712163290 Panama City ACAN in Spanish 1456 GMT 17 Dec 90

[Text] Managua, 17 Dec (ACAN-EFE)—Different sources reported today that unidentified individuals have hurled grenades at the homes of mayors and officials of towns in the interior of the country. Although no casualties have been reported, the explosions have caused material damage. Frank Lanzas, mayor of Matagalpa, a town located 126 km north of Managua, told ACAN-EFE that on 16 December at 2100 (0300 GMT), unidentified individuals hurled a grenade that exploded 12 meters from his home.

The mayor explained that the device did not hit his home, but exploded against a tree, still causing great alarm. He said that on 15 December someone called him on the telephone to threaten him with death and "give him 24 hours to live."

"This atttack comes as a result of the communique issued on 15 December by the Sandinist People's Army [EPS], rejecting the reduction in the military budget approved by the National Assembly (the day before)," Lanzas remarked. The EPS General Command stated that "under no circumstances" would it allow 10,000 soldiers to be thrown out into the street because of a cut in military spending.

Early this morning, another attack was reported at the house of Isaac Deleo, the mayor of Juigalpa, a town located 137 km northeast of Managua. Although there were no casualties, the material damage was considerable.

Deleo said a grenade blew up in the garage of his house, damaging the ceiling and his car. Moreover, Boaco

Mayor Armando Incer charged that he had received death threats, which he reported to police authorities in this city, located 100 km northeast of Managua.

Early on the morning of 16 December, unidentified persons hurled two grenades at the Managua home of Social Christian Deputy Humberto Castilla. One of the grenades exploded and destroyed a car, but did not claim any victims. All these leaders whose homes were attacked belong to the progovernment National Opposition Union (UNO), which carried Violeta Barrios de Chamorro to power and which supports the reduction in military spending.

Chamorro on Military Budget, Country Unity

PA1812041290 Managua Domestic Service in Spanish 2018 GMT 17 Dec 90

[News conference by President Violeta Chamorro, Foreign Minister Enrique Dreyfus, Presidency Minister Antonio Lacayo, Minister of Natural Resources Jaime Incer, and Deputy Foreign Minister Ernesto Leal with local and foreign reporters; moderated by acting Secretary of the Presidency Frank Arana Icaza, upon arrival in Managua from Puntarenas, Costa Rica; place not given—live]

[Text] [Chamorro] Good evening, friends from the media and members of my cabinet. Before I return to work I wanted to tell you about the work we have just concluded in Puntarenas during the meeting of the five Central American presidents. It was beautiful to see the five Central American presidents united as a single team because we all want the reconciliation of Central America and want to help each other.

On the other hand, I am very pleased with the support that all the presidents have given Nicaragua because of the peace, stability, democracy, and development that my government is promoting.

They congratulated us because they had never imagined that we would reduce the Army in Nicaragua, as we are in the process of doing. They offered me total support. I thanked them and told them that I would continue with the reduction until our Army is like that of Costa Rica's.

The five Central American presidents agreed to grant Nicaragua preferential treatment, and it was agreed that by 31 March 1991 at the latest, the ministers of Central America would resolve the Nicaraguan foreign debt problem, which we inherited from the past Sandinist government.

I see this as an achievement of all the Nicaraguans, and I believe that we have to thank the Central American presidents. I have already done so.

All the Central American presidents agreed to appeal to the Farabundo Marti National Liberation Front [FMLN] to stop all these problems it is creating and to seek dialogue and reconciliation, as we have done here in Nicaragua. There was firm and total backing for the San Salvador Government.

The Central American presidents do not want violence or peace. I beg your pardon: violence or blood. We would rather have unity and reconciliation among all the people of San Salvador.

This can be done through dialogue. This is why we have made changes in Nicaragua. This is why we shake hands. This is why we are gradually doing what we are doing in Nicaragua. I feel very satisfied with what I have done. I have been much applauded because of this. I was congratulated for of our contributions to Nicaragua, because I alone am not responsible: All the Nicaraguans, all my ministers, and everybody who represents Nicaragua have contributed.

I also want to explain to you that Costa Rica and Nicaragua concluded an agreement on preferential ecological work. Dr. Incer will explain this, as this concerns his work.

[Incer] At this summit, one of the important characteristics was the decision by the Central American presidents to give true support to all of those programs concerning the environment. To this effect, the presidents unanimously promoted a series of programs for including Central America as a region that is concerned about environmental problems and improving the quality of the environment.

Among the various agreements that were reached, it is noteworthy to point out the interest of the Central American governments to unify the objectives of peace and development with the objectives of improving the environmental quality by controlling the actions, substances, and procedures that deteriorate the quality of the environment.

We had the pleasure of witnessing the signature of the agreement by the Nicaraguan and Costa Rican presidents for recovering the natural, cultural, and tourist environment of the San Juan River. Within these efforts, the Central American governments feel that nature does not recognize any borders, and we must make efforts to accelerate development, consolidate peace, and protect nature.

There is a project of the Integrated System of Natural Areas for Peace that includes the area between the Lake of Nicaragua and the Caribbean Sea, where the two countries—each one respecting the other's sovereign rights—will try to emphasize the importance of ecology through forests, rivers, islands, swamps, coasts, and so forth, through the various natural and cultural systems that are so rich in the San Juan River.

This has perhaps been an expression of support for the Nicaraguan Government's wishes that within this Central American integration, this consolidation of peace, and this effort for development, ecology will have an opportunity. Thank you.

[Arana] Enrique Dreyfus will now expand upon the aspects concerning the agreements reached today at Puntarenas.

[Dreyfus] I believe this Puntarenas meeting will make history as the starting point of a new Central America. We worked very hard. We reached many political, economic, and ecological agreements, as well as agreements pertaining to agriculture and the Central American Common Market. Many aspects were discussed, and many of the agreements that were concluded are very important for the future of Nicaragua, as well as for the region.

To this effect, the government will follow the instructions of President Chamorro and will announce in the local newspapers, and on radio and television all of the agreements and conclusions that were reached. We believe this is very important, and it is within the framework of keeping all Nicaraguans duly informed of the very clear actions of Mrs. Chamorro's government.

[Chamorro] I also want to explain, and I can imagine your great curiosity, about why I voted before leaving for Costa Rica. Things cannot be done overnight. The government has gradually reduced the size of the Army. We are humane. We cannot just fire people and leave soldiers and civilians homeless. This does not mean that everything has been completed. Quite the contrary. I think you all know that I will meet with my cabinet at 1500 today to explain to them, as I am explaining to you right now over the radio, why I did it and why I will send another explanation to the Assembly in case they did not understand well. Please do not misinterpret me. We Nicaraguans, and I personally, want to live in peace, cordiality, and reconciliation. Perhaps it was a misunderstading. We cannot cut the size of the Army overnight because there is no money. As I told you, we have been trimming the Army gradually. I do not think this has to be an economic crisis. I regret what is going on and condemn all the problems of people being killed and wounded. We will investigate because it should not be like that. In Nicaragua we want to live in peace and tranquility. I will now answer any questions.

[Arana] Journalist Penate of AP.

[Penate] You and your presidential minister openly and publicly recommended that the budget not be drastically changed and said that you would not negotiate the budget you presented on 15 November. All of these things have been said loudly, clearly, and in public. Nevertheless, all of the 51 National Opposition Union deputies voted unanimously to reduce the armed forces' budget by nearly $20 million. How do you interpret the fact that your own deputies voted against you?

[Chamorro] It is all part of democracy. If there were no criticism then we would be dictators. This is why we made the change in Nicaragua. We made it so there could be criticism, dialogue, and reconciliation in order to rectify our country's problems.

[Unidentified reporter] Minister Lacayo, I remember that during your most recent news conference last week, you said that there had been meetings with many UNO [National Opposition Union] deputies and that you were sure that there would not be any drastic budget cut. What has happened to cause your meetings with some UNO sectors to be unproductive?

[Lacayo] The nation has agreed that this country's military apparatus and expenditures must be reduced. Voting at the Assembly reflects this common point of view on this specific issue. What has happened, we believe, is that not enough information has been provided on everything the president has done to reduce the Army since the beginning of her administratiion. As a result of her actions, there has been a drastic reduction of the military apparatus. This has not happened in any other part of the world.

Not even the Eastern European countries, which no longer need the big armies they had until a short time ago, have had a military reduction process that moved as fast as our process here in Nicaragua. The official figures listed 80,000 soldiers on 25 April. Now we have 28,400 soldiers. As Mrs. Chamorro pointed out, this earned praise from the presidents of Costa Rica, El Salvador, Guatemala, and Honduras. The Central American document states that they applaud the successful efforts the Nicaraguan Government has made to secure the gradual reduction of its Army to strengthen civilian institutions and to release resources for economic and social development. This is what we have done. It just happens, however, that the National Assembly, especially the UNO legislators, apparently believe that the $78 million budget that the president had sent to the Assembly, was the same budget the Armed Forces had in the past or a budget she wanted approved. I believe that it is good to explain that this $78 million budget reflects the big reductions that the president has been making in the past few months, compared to what the Army was used to spending. The Army budget for this year was above $170 million.

Now that this has been explained, I believe that the additional budget cut that the UNO legislators want is unmanageable. This process has a tempo, it is gradual. A sharp cut like the one the Assembly wants could place the process in serious danger. I am sure that once the president sends her veto to the National Assembly they will recognize this.

[Rivas] Mrs. President, I am Francisco Rivas, of Radio Nicaragua. While you have been searching for peace, there have been terrorist attacks here in Nicaragua against UNO legislators. There is the case of Dr. Humberto Castilla, whose children could have died in a fire

when attackers set fire to their car with hand grenades. Will there be an investigation and special protection for UNO legislators?

[Chamorro] As I have said earlier, I condemn all this. I do not want anybody dying or anything like that. Regarding protection, we are all in God's hands! We have to take care of each other. We will investigate to see who committed this crime. Why are they throwing bombs? Where did they come from? I do not know if they have a fuse or not. I beg your pardon?

[Unidentified reporter] [Question indistinct]?

[Chamorro] Are you sure? If you have anything specific, I would love to hear it.

[Unidentified reporter] I would like to ask you or Minister Lacayo about the Government Ministry and the police. It is no secret that the crime rate has increased. The Government Ministry needs more resosurces to fight crime. The National Assembly has refused to increase the budget of the Government Ministry. I would like to know if the president will include a larger budget for the Government Ministry and the police. I would like to ask the foreign minister if the case of John Hull, who is being accused of international crimes, was discussed when you were in Costa Rica.

[Chamorro] The budget that was sent to the Assembly is the budget we are going to send. Budgets are going to be gradually cut, based on our possibilities and on friends who may want to give me some money to begin resolving our problems. I cannot increase or decrease the budget for the police simply because I do not have money, unless you help me. Regarding the case of John Hull, it was not mentioned. I do not know if Enrique Dreyfus wants to add anything.

[Dreyfus] The John Hull case is being handled the usual way. It was not a subject of discussion at the summit. This means that they are happy with the way we are handling the matter.

[Unidentified reporter] Mrs. Chamorro, when you made the opening statement you condemned an action, death. Were you referring to the Jalapa events?

[Chamorro] I beg your pardon?

[Reporter] When you made the opening statement to your news conference, you condemned the death of some people. What were you referring to?

[Chamorro] I was referring to people, to violence in this country. I do not want violence. We want peace and reconciliation. We want to stop this and have no more death, no more wounded, or anything. I think we all have to help at this moment. We are giving the world an example. The reduction, rather the proposal that I sent to the Assembly was prepared based on our possibilities. I do not think anyone wants to be dismissed. That would cause serious problems. I think we are promoting brotherhood among all the Nicaraguans. I hope to be better informed tomorrow or the day after. If you have any facts, tell me, or tell the minister to find a solution as soon as possible. I condemn violence.

[Arana] Thank you, ladies and gentlemen. This is the end of the news conference by Violeta Barrios de Chamorro and her ministers.

Former Contras Blamed for Attack in Jalapa

PA1712140390 Managua Radio Sandino in Spanish 1254 GMT 17 Dec 90

[Report from Ocotal City]

[Text] An attack by demobilized contras in Jalapa on 16 December has resulted in seven people killed and 30 wounded. A group of armed peasants who demobilized from the contra movement have been attacking the town of Jalapa, Nueva Segovia Department since 16 December.

Reports from the city of Ocotal indicate that the bodies of the seven people killed arrived in Ocotal on Sunday night and that the 30 wounded were taken to the Nueva Segovia Hospital in Ocotal.

Communications with Jalapa have been cut off. Only the Government and Defense Ministries can communicate with Jalapa, which is virtually surrounded by the armed peasants, who demand the release of land.

The situation remains tense in Ocotal. The Radio Segovia employees have been told that one of the armed peasants' objectives is to extend the attack to Ocotal and destroy the aforementioned radio station.

Defense and Government Ministry forces are currently repelling the peasants' attack in Jalapa, 60 km northwest of Ocotal.

The Nueva Segovia Police have given an ultimatum to the former contras who have occupied the Jalapa Police headquarters to immediately abandon those installations. Ocotal Police Chief Benjamin Davila gave the former contras until 1600 today to abandon the Japala Police headquarters or the police will resort to the use force to resolve the problem.

11 Dead, 20 Wounded in Attack

PA1812140790 Managua Radio Sandino in Spanish 1259 GMT 18 Dec 90

[Text] Eleven people have been killed and 20 have been wounded in Jalapa. Army troops are chasing armed groups in the mountains in Nueva Segovia Department.

Colonel Antenor Rosales, Region I military chief, reported the violent incidents that took place in Jalapa, where approximately 70 former contras took over the police installations and attacked mobile EPS [Sandinist People's Army] patrols.

Col. Rosales confirmed that, in order to stop the assailants, the Army launched an operation which resulted in 11 people dead, 20 wounded, and 30 arrested. Col. Rosales identified two former contras—Machete and Salomo—as the leaders of the attack in Jalapa.

Correction to UNO Deputy's Home Attacked

PA1712130090

The following correction pertain to the item headlined "UNO Deputy's Home Attacked; No Casualties," published in the 17 December Latin America DAILY REPORT, page 34:

Column one, second paragraph of item, only sentence, make read: ...two explosive devices were thrown and one of them destroyed the deputy's car, while the other was defused by... (rewording to clarify that only one of the grenades exploded)

Panama

Herrera Bodyguard Granted 'Temporary' Asylum

PA1812045290 Panama City Circuito RPC Television in Spanish 2317 GMT 17 Dec 90

[Text] The Panamanian Foreign Ministry has confirmed that the Venezuelan Embassy has granted political asylum to Eduardo Herrera's bodyguard, who participated in the coup attempt on 5 December. The Foreign Ministry's legal adviser, Julio Berrios, made the following statements:

[Begin Berrios recording] Today we received Venezuela's official notification that they have granted temporary asylum to Retired Colonel Eduardo Herrera's bodyguard, Olmedo Riggs, who participated in the 4 and 5 December events. [end recording]

With regard to the procedure to be followed in granting safe-conduct to Olmedo Riggs, Julio Berrios said:

[Begin Berrios recording] First, we have to consult with the Attorney General's Office on Panamanian legal procedure so that they can inform us about the nature of the crimes of which this gentleman is accused. This same procedure will be carried out at the Government Ministry. [end recording]

Workers Demonstrate Peacefully, Meet Legislators

PA1812012290 Panama City Circuito RPC Television in Spanish 2357 GMT 17 Dec 90

[Text] The demonstration convoked by the country's labor unions began late this afternoon at Porras Square. The demonstrators, carrying placards and chanting antigovernment slogans, marched peacefully and orderly down Central Avenue to the Legislative Palace. The businesses located along the route closed their doors, and security guards were warned to be on the look out for any problems. According to the labor leaders, the march was convoked to demand the abolition of Law 55, which authorizes the firing of government employees.

At the Legislative Palace the workers were greeted by a commission of legislators headed by Delfin Pena. A delegation of 10 workers—all members of the National Council of Organized Workers—was invited in to talk to the legislators. Issac Rodriguez and Rolando Miller are among the delegates. Once inside the Assembly building the union leaders told the legislators that they are not happy with the approval of Law 55, which authorizes the firing of the government employees who participated in the organization of the 4 December demonstration and the 5 December strike. Isaac Rodriguez is talking on behalf of the workers.

At this time, the workers are still outside the Legislative Palace peacefully awaiting the results of the negotiations.

Correction to LA PRENSA Articles on 5 Dec

PA1612132390

The following correction pertains to the item headlined "LA PRENSA Articles View 5 Dec Coup Attempt," published in the 14 December Latin Americ.. DAILY REPORT, page 20:

Column two, second full paragraph, sentence three make read: ...granted to the gorillas [derisive term used to describe military personnel], they have already... (correcting spelling and meaning of "gorillas")

Argentina

Joining Brady Plan Said 'Practically a Fact'

PY1712175090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2355 GMT 14 Dec 90

[Excerpts] Mar del Plata, 14 Dec (NA)—President Carlos Menem said here today that Argentina's joining of the Brady Plan is "practically a fact," adding that Argentina is "the world's leading nation in the area of privatization and proposals for economic change." [passage omitted]

Menem said this during a press conference that he hosted at a downtown hotel upon arriving from Posadas, shortly before attending the closing session of a UOM [Metalworkers' Union] meeting in this city.

Menem confirmed that some 28 enterprises will be privatized in 1991, among them Segba [Greater Buenos Aires Electrical Services], the National Sanitary Works, the State Gas Corporation, and the Somisa [Argentine Iron and Steel Joint Association].

He praised "the attitude of UOM leaders and workers," because thanks to them "the privatization of the Zapla blast furnace, and of other enterprises in the petrochemical sector, and some military factories is under way." [passage omitted]

Concerning the possibility that Argentina may join the Brady Plan, Menem said that it will bring benefits to the country as it did to Mexico, which "managed to make use of the proposal."

He said: "All Argentines should be proud of U.S. President George Bush's recent praise of our policy."

In the political sector, he reiterated his wish that Foreign Minister Domingo Cavallo and Vice President Eduardo Duhalde run for the governorships of Cordoba and Buenos Aires, respectively.

"I would like both of them to run, but I cannot do anything beyond that because if I did I would be overruling their feelings," he said. [passage omitted]

Tank Movements Reported in Entre Rios Province

PY1712203490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2020 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (NA)—Tanks from the Villaguay and Concordia Regiments are moving on Highway 14 toward the town of Chajari, Entre Rios Province, with the apparent objective of taking the "Coraseros Coronel Stomba" 7th Cavalry Tank Regiment.

It was learned that the movement of tanks began at approximately 1630 [1830 GMT]. It is not known how many tanks are moving on Chajari.

Radio Station Announces Rebellion

PY1712204690 Madrid EFE in Spanish 2026 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (EFE)—An Argentine radio station reported today that two tank regiments are staging an uprising in the Entre Rios Province, which borders Buenos Aires Province.

Radio Rivadavia reported at 1800 [2000 GMT] that two tank regiments from the Entre Rios provincial towns of Villaguay and Concordia, some 450 km from Buenos Aires, are moving their tanks toward the city of Chajari, where the 7th Cavalry Tank Regiment is headquartered.

Defense Ministry sources told EFE that they were evaluating the situation and cannot confirm or deny the report.

Officials Unaware of Uprising

PY1712205090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 17 Dec 90

[Text] Rosario, 17 Dec (NA)—Officials at the Rosario-based 2d Army Corps have reported that they still have no information on a new military uprising in Entre Rios Province. The Concordia, Villaguay and Chajari Regiments are subordinate to the 2d Army Corps.

Defense Minister, Army Chief Attend Meeting

PY1712204090 Buenos Aires DYN in Spanish 2030 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (DYN)—Defense Minister Humberto Romero and the Army chief of staff, General Martin Bonnet, went to Government House at 1830 [2030 GMT] for an urgent meeting with President Carlos Menem.

Tank Regiment Commander Denies Reported Uprising

PY1712205890 Buenos Aires DYN in Spanish 2036 GMT 17 Dec 90

[Text] Concordia, Entre Rios, 17 Dec (DYN)—The commander of Tank Regiment No. 6 of Concordia, Lieutenant Colonel Alfonso, this afternoon "categorically" denied reports of an alleged irregular mobilization of military elements in Entre Rios Province.

Alfonso was asked about this by a local radio station, LT 15, and he told reporters that there was a movement of vehicles, but it was a maneuver complying with regular tasks ordered by the brigade commanders.

"I want to convey to the people of Concordia that there is absolute tranquillity," Alfonso told the local radio station.

Commander Says 'There Are No Rebels'

PY1712211890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2042 GMT 17 Dec 90

[Text] Chajari, Entre Rios, 17 Dec (NA)—Lieutenant Colonel Ernesto Ozola [name as received], chief of the Chajari-based 7th Cavalry Regiment, said this afternoon that his regiment is loyal to "the Army leadership" and "it is taking orders from the brigade commander." He added that everything is normal at the 1st and 6th regiments of Entre Rios.

In remarks to Radio Rivadavia, Ozola said: "There are no rebels here."

Presidential Spokesman Denies Reported Uprising

PY1712212090 Buenos Aires TELAM in Spanish 2059 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (TELAM)—Presidential spokesman Humberto Toledo stated this afternoon that the country is "absolutely calm," thus denying the alleged uprising of military troops in Entre Rios Province.

Station Accused of False 'Rumor'

PY1712221790 Buenos Aires NOTICIAS ARGENTINA in Spanish 2108 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (NA)—Presidential spokesman Humberto Toledo has attributed to a "Chajari radio station that began a rumor" the story on alleged troop movement along Route 14 that "was immediately denied by local military officials, by the defense minister, and by Army Chief General Martin Bonnet."

Toledo said that it was "an absolutely ill-intended report," and he added that if that report "had some truth in it, an investigation will be carried out to find out the reasons," and if not, "the government will impose severe appropriate sanctions on that radio station or on the other stations that repeated the report."

Romero Criticizes 'False' Report

PY1712232090 Buenos Aires Argentina Televisora Color Network in Spanish 2234 GMT 17 Dec 90

[Text] As we have already reported, presidential spokesman Humberto Toledo and President Carlos Menem himself have categorically denied the report of a military uprising in Entre Rios Province. Let us now listen to Defense Minister Humberto Romero:

[Begin recording] [Romero] It was a false report by some individuals and even by a radio station that broadcast false information.

[Unidentified reporter] Were there any troop movements?

[Romero] No, there were no troop movements. There was a false report by the media. This is unfortunate, but I have to say it; we are concerned about irresponsibility in releasing any information and repeating any information. This type of information only causes unease among the population.

[Reporter] Do you believe this was a psychological action?

[Romero] I do not know what it was, but the media cannot release just anything [words indistinct].

[Reporter] [Words indistinct] that a lieutenant colonel came out with two armored vehicles and that he was arrested by the police.

[Romero] I appeal to the goodwill, to the responsibility of the people who run the media, because, unfortunately, this came from the media. We respect the freedom of the press, but we call in the best possible manner for the media to act with responsibility. The doors of the Defense Ministry and other official organizations are open for any of you to ask questions, and we will answer them. All the things that were said were false because there was no troop movement of any kind. If you now listen to the same media that released the news, you will hear the explanations and communiques of the regiment commanders mentioned by the media. [end recording]

More Denials of Resurgent Uprising

LD1712215390 Madrid Domestic Service in Spanish 2100 GMT 17 Dec 90

[Text] There are fears of a new military uprising in Argentina. Latest reports indicate that two tank regiments are heading for the town of Chajari in Entre Rios Province. Our correspondent, Javir Gonzalez, is on the line to tell us what the real situation is at present:

[Gonzalez] A few minutes ago, the commander of the 7th Tank Regiment in Chajari denied that there was any military uprising given the speculation broadcast on local radio stations. Lt. Col. Ernesto (?Ossola), who commands this regiment, said that both the 1st Regiment as well as the 6th, which were supposed to have rebelled, are obeying the chain of command. The defense minister, Humberto Romero, and the Army Chief of Staff, Gen. Martin Bonet, were at the Casa Rosada in an urgent meeting with President Menem. Following this meeting, just a few minutes ago presidential spokesman Humberto Toledo again repeated and denied the reports which came, as we said, from a local radio station, Radio Chajari.

Menem States: 'Everything Is Calm'

PY1712213690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (NA)—Commenting on reports on the alleged movement of troops in Entre Rios Province, President Carlos Menem has stated: "There will be no more games in the Republic of Argentina." He

announced: "We are going to take stiff measures against the media organizations that lend themselves to this type of clumsy, arbitrary game."

Upon leaving Government House shortly after 1900 [2100 GMT], Menem said: "Everything is calm here."

Mayor Says Defensive Measures Implemented

PY1712210690 Buenos Aires DYN in Spanish 2022 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (DYN)—Jose Cano, mayor of the town of Chajari, Entre Rios Province, admitted tonight that armored troops from the Concordia and Villaguay Regiments could be deploying along National Highway 14 toward Chajari, "apparently without orders from above."

He added, however, that neither the provincial police—who are on a state of alert—nor the mayors of nearby towns have seen any armored vehicles yet.

"We have been receiving reports and partial versions of facts that we still have to confirm," the mayor said.

In a phone call, Cano reported to DYN that "according to information transmitted to us, the columns are coming toward our town. Fearing an irregularity, Lieutenant Colonel Osella, chief of the Chajari 7th Tank Regiment, has adopted the required measures."

The mayor added that the columns apparently being deployed toward Chajari belong to the Concordia 6th Regiment and the Villaguay 1st Regiment.

After interviewing the head of the local regiment, a journalist from a mobile unit for Chajari Radio confirmed that the measures being adopted by the local regiment are defensive.

Communique Reports Situation Normal in All Units

PY1812001490 Buenos Aires DYN in Spanish 2330 GMT 17 Dec 90

[Excerpt] Buenos Aires, 17 Dec (DYN)—[Passage omitted] At 2115 [2315 GMT] the press office of the Army General Staff released the following communique:

"In light of reports released in recent hours about problems of an institutional nature in garrisons in Entre Rios Province (Villaguay, Concordia, and Gualeguaychu), and considering the concern these reports could instill in the people, the Army General Staff hereby informs the public that:

"1. The information was generated by the fact that in light of reports that unidentified personnel presumably linked to groups involved in the 3 December 1990 actions were moving toward Chajari in nonmilitary vehicles, the Army units in the area proceeded to preventively increase their security measures.

"2. Activities have been normal in the above units as well as in all other units of the Army."

Commander Says Situation 'Normal'

PY1812022890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0204 GMT 18 Dec 90

[Text] Buenos Aires, 17 Dec (NA)—Lieutenant Colonel Ernesto Ozola [name as received], commander of the Chajari regiment in Entre Rios Province, stated shortly before midnight today that the situation in his unit is "totally, absolutely normal." He admitted that all leaves were canceled this afternoon "at our request."

In remarks to Radio Chajari that were made available to NOTICIAS ARGENTINAS, Ozola said: "We are following orders from our superiors in reinforcing security." He was thus alluding to his decision to cancel all leave this afternoon.

Minister Cavallo Departs for Rio Group Meeting

PY1712234890 Buenos Aires TELAM in Spanish 2156 GMT 17 Dec 90

[Text] Buenos Aires, 17 Dec (TELAM)—Foreign Minister Domingo Cavallo left for Rome tonight to attend a political consultation and coordination meeting of the Rio Group, which consists of 11 countries. The Rio Group will meet with EEC foreign ministers to implement mechanisms for achieving progress in the upcoming GATT talks.

In remarks at Ezeiza Airport before departing for Rome, Cavallo reaffirmed that he will not be a candidate for governor of Cordoba Province. He said: "I will continue as the foreign minister."

17th Communist Party Congress Ends in Floresta

PY1712220790 Buenos Aires TELAM in Spanish 2258 GMT 16 Dec 90

[Text] Buenos Aires, 16 Dec (TELAM)—Patricio Echegaray was reelected secretary general of the Communist Party by secret ballot at the 17th party congress, held at the All Boys Club stadium in the Buenos Aires neighborhood of Floresta. Some 900 delegates attended the congress which began on 13 December and ended this evening.

For the first time in its history, the Marxist party elected its leaders by secret ballot. In addition to the secretary general, who according to party sources obtained the support of 80 percent of delegates, the congress elected the 65 full members of the central committee, plus 10 alternate members.

After learning the result of the vote, Echegaray stressed to TELAM the four-day "multitudinous meeting," which gathered nearly 1,000 delegates, and he noted the "role" played by the leaders of rank-and-file organizations.

Concerning the situation in the country, Echegaray said that Argentina "is suffering the crisis of capitalism." He also criticized the government policy which, he stressed, "fosters starvation, hands over the country, and pardons genocide."

Echegaray advocated "the struggle against the liberal economic plan," criticizing what he called "policy of subordination to and alignment with the U.S. Government."

As a political proposal, Echegaray urged "the creation of a new historical national liberation movement to strive for Argentina's independence, reducing the profits of monopolies and local oligarchies and increasing the benefits for the people."

Asked about the challenge that the Communist Party will have to face in the wake of the split by the factions led by Enrique Dratman and Eduardo Sigal, Echegaray deplored the fact that those leaders did not report to congress to "account for the actions by the party leadership, which we have shared since 1987."

As self-criticism, Echegaray said that the party has not as yet been able to create "a national people's front." He stressed as an achievement that "the party opposed the austral plan and supported the no-vote in the Buenos Aires province plebiscite."

Echegaray added that in 1991, which will be an election year, the Communist Party will try to "strengthen and promote the United Left, which is made up of the FRAL [Broad Front for Liberation] PC [Communist Party], Idepo [People's Democratic Left], PRISA [expansion unknown], 29 de Mayo, and the MAS [Movement Toward Socialism].

The eight commissions that were created during the congress on 15 December debated the party ideology, emphasizing their demand for "democratization" of the party.

Artillery Group Dismantled Within Army Plan

PY1712214390 Buenos Aires TELAM in Spanish 1315 GMT 1 Dec 90

[Summary] Buenos Aires, 1 Dec (TELAM)—Lieutenant Colonel Emilio Guillermo Nani, commander of Air Defense Artillery Group 101, headquartered in Ciudadela, presided over the ceremony to mark the 37th anniversary of this group and of its dismantling as part of the Army's reorganization plan.

Brazil

President Collor Signs Provisional Measures

PY1712135690 Brasilia Domestic Service in Portuguese 2100 GMT 14 Dec 90

[Text] President Fernando Collor de Mello today signed some provisional measures that include details of an increase in the IPI [Industrialized Products Tax] on beverage sales, tentative tax collection figures, and fiscal incentives for the industrial sector.

The Official Gazette will publish next Monday [17 December] the three new provisional measures that President Collor signed today. The first authorizes the Federal Revenues Office to raise the IPI on nonalcoholic and alcoholic beverages to 60 percent; currently, the IPI on beverages is 30 percent on the sale price. This provisional measures also determines that the tax must be paid by the last working day of the fortnight following the date of the sale.

Through another provisional measure, the president of the Republic established the criteria for granting fiscal incentives for technological modernization in industries. This measure is in line with the National Program for Technological Development, instituted by President Collor to make Brazilian industrial products more competitive with similar foreign products. Fiscal incentives for improving the quality of industrial products have been used for more than 40 years in most developed countries. By granting this incentive the government believes that it will lose, in taxes alone, nearly 23 billion cruzeiros next year.

In the third provisional measure, the president authorizes the National Treasury to grant subsidized financing, through the Export Financing Program, Proex, for the export of Brazilian goods and services.

The president also signed a decree extending for another six months the deadline on the sale of government-owned housing to current occupants. The deadline was to have expired on 31 December, but the president has extended it until 30 June 1991 because Administration Secretary Joao Santana justified that many of the houses do not have their deeds ready for sale.

President Collor also signed a provisional measure authorizing the National Treasury to finance the export of goods and services. The promulgation of this provisional measure was proposed by the Economy Ministry. The measure seeks to reconcile the cost of raising foreign loans with the interest charged on the loans that are locally re-lent. This provisional measure also establishes that the interest rates on foreign loans should be in line with those charged by the countries that finance the Brazilian exports within their general foreign trade.

* Classified Document Scores U.S. GATT Stand

91SM0131A Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Dec 90 p A-5

[Article by Sylvio Costa of FOLHA's Brasilia bureau]

[Text] Minister of Foreign Affairs Francisco Rezek, 46, and Minister of the Economy Zelia Cardoso de Mello, 37, sent President Collor a classified document in which they criticize the actions of the governments of the U.S. and two European countries during the talks on liberalizing world trade. In the opinion of the two ministers,

those countries have not yet offered "concessions that would be even minimally appropriate, given the liberalizing efforts that Brazil has been making since 15 March."

This issue is among the topics that Collor will discuss with U.S. President George Bush, who visits Brazil tomorrow [2 Dec]. The subject is dealt with in the economy ministry's Background Statement No. 498, dated 31 October and signed by both Cardoso de Melio and Rezek. The ten-page document—obtained exclusively by FOLHA DE SAO PAULO—says that "neither orange juice, one of the principle Brazilian requests, nor products from the agricultural and textile sectors that are also of priority importance, are contemplated" in the American government's proposal for reduction of import duties.

Cardoso de Mello and Rezek believe that Brazilian exports of these products are hampered by U.S. tariff policy. In the document, the two ministers present an appraisal of the so-called Uruguay Round, the name given to the negotiations that began in 1986 in Punta del Este (Uruguay) and are scheduled to end this week in Brussels (Belgium). This is the most ambitious attempt to set rules for increasing freedom of trade in the world, and it involves about 100 countries.

The document, which contains several errors in Portuguese usage, says: "The United States, which at the start of the round was insisting on negotiating a broad liberalization of trade in that area (of services), now finds itself in the uncomfortable position of having to retreat as the result of internal resistance—from certain sectors such as air and ocean shipping, financial services, and public telephones—to the rules of a future agreement on the subject."

In diplomatic language, the ministers also condemned the attitude of the European Economic Community (EEC, the body that represents the commercial interests of the European countries), for its resistance to the elimination of export subsidies on farm products. The document reports that the Brazilian government suggested that import duties be reduced on 1,611 items.

That figure represents more than double the total of Brazilian tariff rates that have been consolidated under the General Agreement on Tariffs and Trade (GATT) since that entity was created in 1948. Cardoso de Mello and Rezek say that the U.S. tariff offer covers 1,029 items, including 325 that were on the list of requests submitted by Brazil—"only 31 of which, by the way, are considered by us to be priority items," the ministers wrote.

According to the background statement sent to Collor, "the gains Brazil can expect from the (Uruguay) round are limited.... In many areas of their interests, no big concessions are expected from the major trading partners. The U.S. and the EEC have the ability to dictate the pace and determine the course the negotiations will take, and can even block them." They also say that Brazil already has prepared "additional lists of possible concessions to use to expand" its tariff offer.

[Box] Key Excerpts From the Document

U.S. Power

"The roles of the various countries in each of the negotiating areas are determined by their relative positions in world trade and their degree of development, factors that also determine each country's ability to influence the results of the negotiations. Therefore, the U.S. and the EEC have the ability to dictate the pace and determine the course the negotiations will take, and can even block them. Brazil, given its stage of development and its still-modest influence in international trade (only about 1.5 percent of world exports) naturally has interests that are very often different from those of the two major trading partners but it does not have the ability, individually, to determine the directions the Round will take, nor to block the progress of negotiations prejudicial to its interests."

Problems for Brazil

"There are points, however, at which the positions advocated by some participants, especially the U.S., present problems for Brazil. In the first place, we have obvious difficulty in accepting proposals that seek to limit flexibility in the use of restrictive measures for balance of payment reasons (Article 18 of the General Agreement)."

Unacceptable Commitments

"Although Brazil's positions have become significantly more flexible during the four years of the round, and despite the additional measure of flexibility we are now proposing that Brazilian negotiators demonstrate, it is foreseeable that there will still be pressures for Brazil to make even bigger concessions. Yielding to such pressures, and the ever-increasing levels of Brazilian concessions also has its cost—particularly in terms of the reduction of our capacity to maneuver in the conduct of our internal policies and the achievement of our development objectives. In fact, the acceptance of certain agreements at the end of the Round could confront us with commitments that we cannot fulfill without real detriment to this country."

U.S. Pressure

"In the Negotiating Group on Trade-Related Investment Measures, the Brazilian delegation has been faced with pressures to accept new sets of regulations aimed at banning certain measures that are widely applied in Brazil, such as the index of domestic content and others that are connected with the granting of benefits when certain requirements are met (BNDES [National Bank for Social and Economic Development] financing of domestic production, export financing, Finame [Fund for Financing Machinery and Equipment], Finep [Funding Authority for Studies and Projects], etc.)"

Risks for Brazil

"In the negotiations on products, Brazil has already put on the table an initial tariff offer (1,611 items) which, if confirmed at the end of the Round, would mean more than double the consolidations of Brazilian rates already granted since the GATT was created in 1948 (about 700). The major trading partners, however, are advocating, on industrial products, extreme positions that would be unlikely to be accepted even by other industrialized countries—for example, total liberalization (including zero duties) on certain industrial sectors (steel, aluminum, lumber, and others), and consolidation of all the tariffs of all the participants at levels lower than those now in force, especially those levied by countries that are said to be developmentally more advanced, such as Brazil. These proposals are unanimously opposed by Brazilian industrial sources that have been formally consulted by the Ministry of the Economy on this subject."

U.S. Retreat

"Brazil has actively participated in the task of drafting a framework agreement on international trade in services, an effort that is, in fact, being slowed—mainly by differences among the principal partners on key topics. Even the U.S. which, at the start of the round, was insisting on negotiating a broad liberalization of trade in that area, now finds itself in the uncomfortable position of having to retreat as the result of internal resistance—from certain sectors such as air and ocean shipping, financial services, and public telephones—to the rules of a future agreement on the subject."

Chile

High-Ranking FPMR Leaders Reportedly Arrested

PY1712162290 Madrid EFE in Spanish 0037 GMT 16 Dec 90

[Text] Santiago, 15 Dec (EFE)—Chilean Interior Minister Enrique Krauss has reported the arrest today of two alleged high-ranking leaders of the Manuel Rodriguez Patriotic Front (FPMR) who presumably participated in a frustrated attempt on the life of General Augusto Pinochet when he was president.

The two leaders were arrested today by the Carabineros (uniformed police) special OS-7 group [not further identified] following a clash in a house in eastern Santiago.

Krauss reported that the detainees are Jose Rodriguez Saa and Wilson Rojas Mercado, who have been placed at the disposal of the 5th Military Court.

The two alleged terrorists were members of the FPMR group that in September 1986 ambushed the vehicles in which Pinochet and his entourage were riding in a zone near Santiago. Pinochet escaped unhurt, but five of his bodyguards died.

The previous military regime jailed several people for their alleged involvement in this attack, although those who played the main role are believed to have left the country.

Aylwin Scores Failure of Bill in Congress

PY1712165290 Santiago Domestic Service in Spanish 1000 GMT 17 Dec 90

[Relay from the town of La Serena, by Graciela Contreras]

[Text] President Patricio Aylwin has referred to the failure in Congress of the draft bill which sought to allocate funds for Radio and Television Nacional. He said that he does not believe that those who uphold the principles of the freedom of opinion, expression, and information have the moral authority to do so.

President Aylwin made this statement during his closing address to the 6th National Congress of Chilean journalists in this city. During his address he exhaustively assessed the exercise of this profession within a democratic coexistence and noted the respect he has for all sectors.

[Begin Aylwin recording] As I have proved during these months of my government, I fully respect the points of view of all sectors, within the government, the opposition, and all political sectors.

I do not believe, however, that those who invoke the principle of freedom, or the right to the freedom of expression, opinion, and information as a pretext to hinder the approval of these initiatives—and who over the years have supported or (?approved) by their silence all violations of the right to expression and information—have any moral authority to do so. [end recording]

In his address to representatives of the Chilean journalists unions, President Aylwin voiced his hope that the draft bill submitted to Congress derogating the restrictions on the freedom of press will be passed before the end of the month. This, he said, will represent an important step toward the freedom of expression and the free exercise of this profession in Chile.

Opposition Reacts to Criticism

PY1712215590 Santiago Radio Chilena Network in Spanish 1600 GMT 17 Dec 90

[Excerpt] The National Renewal Party [RN] described as serious President Patricio Aylwin's criticism of those who oppose the draft bill on Television Nacional going through Congress.

Yesterday Aylwin said that he did not believe that those who are hindering the approval of this draft bill under the pretext that it harms the freedom of expression have any moral authority because they themselves, during the previous government, did not respect this freedom.

Felix Viveros briefly referred to these comments and announced that an official answer will be disclosed late this evening. [passage omitted]

Aylwin Discusses Pinochet, Army Corruption

PY1712152890 Madrid EFE in Spanish 1734 GMT 16 Dec 90

[Text] Santiago, 16 Dec (EFE)—Chilean President Patricio Aylwin today said that he has not treated General Augusto Pinochet in a weak manner and that the former military ruler has learned, "without being iron-handed with him and without making him aware, that I am the one who gives the orders."

In an interview published today by the newspaper LA NACION, Aylwin points out that he has changed his opinion of Gen. Pinochet since he met with him for the first time on 22 December 1989, eight days after winning the first presidential elections in Chile, following 16 years of military rule.

The Chilean president said: "As a person, Pinochet can be nice. He is like an experienced, likable Chilean gaucho [huaso]." Aylwin added that this enabled him to understand many things about the general. He emphasized, however, that his political opinion about Pinochet and his regime has not changed.

Aylwin said that he respects the fortitude with which Pinochet assumed the reduction of his status that followed his passing from the post of chief of state to the post of Army commander in chief. He indicated that, although "it has been hard" for the former ruler "to accept it," he has finally assumed the reality of his new situation.

Aylwin added it is tough for Pinochet because he loves power and suffers for not having it. Aylwin said: "He likes to give orders and it is difficult for him to take orders, while I am not attracted by power."

Patricio Aylwin indicated that he exercises his authority out of "a sense of duty and responsibility," but does not derive any special satisfaction from it as it is the case—in his opinion—with Gen. Pinochet.

Chilean President Aylwin assumed power on 11 March 1990 as the first democratically elected president since 1970. He emphasized that he has not been weak toward General Pinochet as some people have said, but believes that he has handled the situation well.

"I believe that he has felt, without being iron-handed with him and without making him aware, that I am the one who gives the orders," pointed out Aylwin, who added that Pinochet has finally accepted the situation "despite the possibility that he will look for crevices that he can utilize."

Regarding the financial scandals that the courts are investigating, scandals involving high-ranking Army officers, Aylwin said: "There are facts that demonstrate the old adage that power corrupts and absolute power corrupts absolutely."

Aylwin added: "When one has uncontrolled power, the brakes come off and the people start to believe that they can do things that they would not do if they knew there were political, administrative, and legal controls."

The Chilean president said that, because of this corruption, it is very likely that a moral problem has arisen within the Army and that its members must decide whether they will confront this problem with esprit de corps, sharing the responsibility, or with a spirit of desire to cleanse the institution.

Silva Evaluates First 9 Months of Administration

PY1712161290 Santiago Radio Chilena Network in Spanish 1600 GMT 14 Dec 90

[Text] Foreign Minister Enrique Silva Cimma today made a positive evaluation of the Foreign Ministry's activities in the first nine months of the Aylwin administration. The minister said that among the greatest achievements are the signing of several international agreements and the reincorporation of Chile into Latin America and the rest of the world. He also mentioned the normalization of relations with the United States. This subject has received some criticism, which Silva Cimma refuted.

[Begin Silva recording] It is easy to say there has been a soft policy and that we simply waited for President Bush's visit to settle things. A diplomatic policy should be evaluated by its results, and international politics cannot be solved by simply pressing a button that automatically and instantly makes decisions that are really the consequences of actions carried out throughout the past few months. The Foreign Ministry's serious attitude should not be confused with softness and (?reality). [end recording]

Minister Silva Cimma said that the poisoned grapes and marketing order cases are still pending issues in the relations with the United States. The minister also rejected rumors about an alleged difference of opinion with Foreign Ministry Under Secretary Edmundo Vargas and other Foreign Ministry officials. Silva Cimma said that Chilean foreign policy is essentially constructive, and differences are solved through understanding. Referring to the promotions within the Foreign Ministry, the minister said that judgment should not yet be passed because they are as yet unconfirmed.

Silva Cimma also referred to Chilean relations with Bolivia. He said that Chile has never refused to resume relations, but it respects the position of the Bolivian Government which considers that there are some differences between the two countries that currently prevent the reestablishment of diplomatic relations.

Terrorist Acts Staged in Various Sectors of City

PY1712181290 Santiago Radio Chilena Network in Spanish 1600 GMT 17 Dec 90

[Text] Six million pesos were seized in cash, one delinquent was wounded, and two chicken delivery trucks were looted during three armed holdups this morning in various sectors of this capital.

The most serious incident occurred at 955 Valparaiso Street near the corner of Ovalle Street, in La Cisterna neighborhood, where a group of individuals who said they belonged to the Lautaro Youth Movement [MJL] clashed with Carabineros after looting a chicken delivery truck. One delinquent was wounded during the incident and was taken to the Barros Luco Hospital where he is being held under arrest.

A large group of youths participated in the incident. The youths occupied the Santa Adriana town and hindered the traffic to carry out their armed propaganda actions.

Two delinquents later stole six million pesos from an ESSO service station located on the Atenas circle in the Higher Santiago region. The individuals, who were riding in a Daihatsu Max Cuore, threatened the station attendants and seized six million pesos in cash.

Lastly, another MJL group held up a chicken delivery truck on the corner of Los Cardenales and Emilio Correa Streets, in Conchali neighborhood. The individuals seized 600 kg of chicken meat, which they distributed to the inhabitants of Los Heroes de la Concepcion town.

Mining Minister Announces New Copper Mine

PY1712122090 Santiago Domestic Service in Spanish 1000 GMT 14 Dec 90

[Text] Mining Minister Juan Hamilton has announced the discovery of a new mine that produces copper with a high molybdenum content. The mine is between Chuquicamata and Calama.

According to research carried out so far, the mine is some 260 meters underground, and it will reportedly be worked by the Chuquicamata division of Codelco [Copper Corporation].

Minister Hamilton is very happy with this new mine discovery. He released this information while officially dedicating Acid Plant No. 3, which will help to reduce the air pollution [as heard] that is affecting that zone.

In his report, Hamilton denied that Codelco intends to privatize some of its current installations. On the subject of the nationalization of the copper mines, he said that he and President Aylwin maintain the same position that they adopted when they were senators in 1981.

The mining minister stated that he expects a record production of 665,000 tons of fine copper this year in Chuquicamata. He added that this productive effort will not last very long unless investment is effectively integrated with improved labor relations based on cooperation not confrontation.

He said that this is an unavoidable requirement for workers, supervisors, and executive members of the Chuquicamata division of Codelco.

Cuban Airlines Resumes Flights to Santiago

PY1712161190 Madrid EFE in Spanish 1608 GMT 13 Dec 90

[Text] Santiago, 13 Dec (EFE)—Cuban Airlines has resumed flights to Chile after an interruption of 17 years with a direct Havana-Santiago flight, according to Alfredo Manteagudo, the company's regional manager.

Monteagudo indicated that the first Cuban Airlines plane to land in Chile since 1973 arrived on 12 December from Havana.

The Chilean and Cuban capitals will be linked by Soviet Ilyushin 62M planes which will make the eight-hour flight with a stopover in Lima, Peru.

Diplomatic relations between the two countries were interrupted in September 1973 following a coup d'etat that overthrew the constitutional government of Salvador Allende. The subsequent military government ended in March 1990.

The democratic government of Chilean President Patricio Aylwin has conditioned the resumption of diplomatic links with Havana to an express commitment of the Cuban executive branch, over which Fidel Castro presides, not to interfere in Chilean internal affairs.

Some months ago, Havana acknowledged that it helped the armed groups that opposed the regime of General Augusto Pinochet, but stressed that this help ended when democracy returned to Chile.

Colombia

FARC Commander Marulanda Reports on Fighting

PA1712154090 Bogota Radio Cadena Nacional in Spanish 1246 GMT 17 Dec 90

["Excerpts" of interview via a two-way radio with Manuel Marulanda Velez, alias Tirofijo, top commander of the Revolutionary Armed Forces of Colombia (FARC), by Maria Luisa Murillo and other reporters in Florencia, Caqueta Department, on 16 December—recorded]

[Text] [Marulanda] The fighting has not stopped for several days. It is constant. Every two hours the fighting picks up, so we have five or six clashes every day. Some are of greater intensity than others. As far as we are concerned, the results so far are satisfactory. The number of our casualties are very limited. So far, three of our men have been killed. The number of wounded is what

would be expected; however, only two have been seriously wounded. This means that the military operation against us has not been all that effective.

As a matter of fact, the Army has received a very serious response from us. I can tell you that 10 minutes ago, the airplanes that had been strafing and bombing were withdrawn. As I told you, about 10 or 15 minutes ago they withdrew. I have received information that heavy fighting took place today. Our own camps were attacked, according to information I received 30 minutes ago from a ham radio operator near the site. The situation is very complex, but we are fighting back.

The operation was not very easy for the military command. The Army did not think that we would put up such tenacious resistance. That is what I can tell you.

[Murillo] Since the fighting began, have you had any contact with the government?

[Marlanda] We have not had any contact. Before the fighting, the president [words indistinct] because they were already preparing the operation. Since he was preparing the operation, it obviously made no sense to want to communicate with us. [Words indistinct].

[Reporter] It is said that several helicopters were damaged or downed. How many Air Force aircraft have been damaged in the fighting?

[Marulanda] [Words indistinct] that make the sound of a grenade explosion [words indistinct]. We cannot reach those areas because they have been taken over by the soldiers. That is what is being said. It seems that the general [not further identified] has said it. Some helicopters have been downed or damaged, although the military is claiming technical difficulties for this. These are the technical difficulties that have occurred so far.

[Murillo] What is the FARC stance now? Will it continue to fight or is it ready to open avenues of dialogue with the government?

[Marulanda] Right now, we have no (?desire) to talk to President Cesar Gaviria. That path is closed because he closed it. We do not know when he will reopen it. He will have to find some other means, after the violent attack that destroyed all our camps. Not one camp was left standing. All of them were reduced to rubble. Under such conditions, special procedures and different solutions will have to be found to hold talks with the president. We are saying that to begin talks, the government must stop the military operation and send the troops back to their garrisons.

Under those conditions, we can meet to see if we will begin talks again. Otherwise, it is most unlikely that talks will be held. We are not begging the president and we will not get down on our knees. We began the struggle 27 years ago and have maintained the struggle. Just when we had the chance to resolve the armed conflict through negotiations, President Gaviria [words indistinct].

[Reporter] Are the possibilities for dialogue foreclosed, as far as FARC is concerned?

[Marulanda] We never foreclosed on that possibility, but (?the president) has. Any pretext is fabricated or something always happens to close the dialogue. We are not responsible for that; the president is responsible. We are ever attentive to see what [words indistinct] political personalities, the president, the government minister, or the National Constituent Assembly do to see how new paths are opened to begin talks and seek solutions.

[Murillo] What is the situation on the different FARC fronts?

[Marulanda] I have been in contact with all the fronts during all these days. I have never ceased to be in contact with them. They say morale is good and that the situation is not entirely disadvantageous for the guerrilla movement. They understand that our proposals to seek a political solution were rebuffed, and that the paths to a solution were closed with the decision to directly attack us. They say that they are going to become mobilized by different means, starting with mass movements. They will denounce the operation and hold the president responsible for it.

The response from the president does not correspond to our proposals and statements to seek a solution.

[Reporter] It is said that 70 FARC members were killed. You are denying it, is that right?

[Marulanda] I said that the president and the top military commands should be asked to take reporters, as soon as possible, to the corpses so that you can take pictures. I am referring to the bodies of dead guerrillas, because several Indians, who were working in the area near us, were killed. I know of approximately four or five Indians who were killed. It would be good if the top military command presented the corpses that they have reported; however, the Army has refused to let reporters in, claiming that they will bring them in later to show them who knows what.

Today they said that they will show reporters the mortars, machine guns, antiaircraft equipment, and the rest of the arsenal taken away from us. I wish we had mortars, machine guns, antiaircraft equipment, and who knows what else. Then you would see what would happen.

[Reporter] [Question indistinct]?

[Marulanda] This is what we have denounced. This is the casualty toll they can present to the public; however, those are the corpses of peasants and Indians. As I told you, we are asking you to urge the president and the top command to bring a team of reporters to see the corpses.

Extraditables Release Kidnapped Photographer

PA1712160590 Paris AFP in Spanish 1516 GMT 17 Dec 90

[Text] Medellin, Colombia, 17 Dec (AFP)—Orlando Acevedo, photographer for the Cripton television newscast, was released in Medellin on 17 December after being held for 109 days by the clandestine Extraditable group, the armed wing of the Colombian drug mafias.

In a communique sent with the photographer, the Extraditables charged that the terrorist attacks in Medellin in the past few days "are meant to create confusion and harm our sincere desire for peace and respect for Colombian justice."

Acevedo is the fourth journalist to be released in the past few weeks. Six others are still being held by the drug traffickers.

New Decree Lists Conditions To Avoid Extraditions

PA1712194890 Bogota Inravision Television Cadena 1 in Spanish 1735 GMT 17 Dec 90

[Text] Justice Minister Jaime Giraldo Angel has explained Decree 3030, which was issued today and contains the following new points:

1. Those that turn themselves in and confess to illegally carrying weapons and conspiracy to commit a crime will not be arrested, including members of self-defense groups.

2. The Attorney General's Office will appoint a delegate to ensure compliance with these norms in every court that is handling these cases.

3. Although extraditions carried out by administrative order will not be suspended, the government guarantees that those that turn themselves in, confess at least one of their crimes, and comply with the laws will not be extradited.

4. All crimes that are confessed will be heard by the same judge to ensure that one decision settles all cases.

5. Once these individuals turn themselves in and undergo a trial and serve their time, these criminals will not be extradited for other crimes. This means that the government ensures that after serving their time, these persons will not have to face another trial.

6. The decision against extradition for additional crimes heard once a trial has gotten under way is reaffirmed.

[Begin Giraldo recording] The country can rest assured, and everybody should know perfectly well that this policy will not change regardless of what may happen. This policy was not adopted following one specific case. Rather, it was thought out and based on the consideration that the only way we can attain peace is to obey the legal process. [end recording]

With the issuance of Decree No. 3030 and the guarantees that those drug traffickers that turn themselves in and confess their crimes will not be extradited, the government expects the Colombian peace process to be finally consolidated.

Ecuador

Students Throw Rocks at Borja's Vehicle

PA1712230090 Madrid EFE in Spanish 2150 GMT 17 Dec 90

[Text] Quito, 17 Dec (EFE)—Today a number of students from the Central University of Ecuador caused violent incidents while protesting President Rodrigo Borja's presence at the university's international school of science. The students hurled rocks at the presidential vehicle, set a car from the Venezuelan Embassy and the school's main door on fire, and had a verbal confrontation with university and government authorities.

Borja's entry onto the campus was delayed for close to one hour. The demonstrators left when it was announced that the president's visit had been canceled. Borja, however, returned to the university and with several Latin American ambassadors in attendance inaugurated a room at the science center. The demonstrators reorganized when Borja's presence was reported.

The president had to leave the premises under a veritable shower of rocks which were being thrown at his vehicle and amid shouts condemning his government.

The presidential press secretariat blamed a small group of student leaders of Marxist-oriented Popular Democratic Movement [Pro-Albanian MPD] for the incidents.

The press office added that that the group shattered windows, hurled tear gas grenades into the place where the event was taking place, and set a foreign diplomat's car on fire. The office also added that Cesar Munoz, dean of the law school to which the international science school is attached, strongly condemned the MPD leaders' vandalism.

According to a bulletin issued by the press office, after leaving the central university, where he had been booed, and upon approaching the presidential palace, Borja decided to walk. He greeted the people walking nearby.

Paraguay

Official Discusses Failure of GATT Talks

PY1712173090 Asuncion HOY in Spanish 17 Dec 90 p 15

[Excerpt] Efrain Dario Centurion, Foreign Ministry under secretary for international economic relations, has returned from Europe and reported on the participation of Paraguay in the "Uruguay Round of the GATT." Centurion said that even though Paraguay is not yet a

member of the GATT, it supported the position of the countries that will make up the future Latin American Common Market, advocating free competition on the world market.

He said: "Our delegation has witnessed the failure of five years of intense negotiations of the Uruguay Round, which has been interrupted and which will be resumed next year if there is agreement for the debate." He said that the great majority of GATT members want to save the Uruguay Round, but there are powerful interests that are preventing any progress in the negotiations. [passage omitted]

Authentic Radical Liberals Elect New Leadership

PY1712223790 Asuncion NOTICIAS in Spanish 1 Dec 90 p 4

[Summary] The following are the members of the PLRA [Authentic Radical Liberal Party] new leadership that was officially proclaimed 30 November: Juan Manuel Benitez Florentin, chairman; Domingo Laino, first vice president; Jose Felix Fernandez Estigarribia, second vice president; and Adalberto Mongelos, secretary general.

National Comptroller General Office Created

PY1712223190 Asuncion ABC COLOR in Spanish 29 Nov 90 p 3

[Summary] The Chamber of Deputies has approved a law creating the National Comptroller General Office [Contraloria General de la Nacion]. The office will be independent from the Finance Ministry and will be in charge of controlling state finances.

Peru

Workers Give Details of Attack on Oil Camp

PY1712222490 Lima Television Peruana in Spanish 1100 GMT 14 Dec 90

[Text] The subversives who attacked and destroyed the Mobil Oil subsidiary plant were near the camp for 10 days before the attack. This information was confirmed by the Sereal workers.

The first workers who arrived in Tarapoto have confirmed that the terrorists identified themselves as Shining Path members. They remained for 10 days in the town of Barranca and even ate the food that the oil company gives to its workers. The few security agents in the area, however, did not do anything about them because they believed that the terrorists would leave without causing any damage.

The workers have contracted a lawyer to demand that Sereal pay them their respective compensation, because operations will be stopped for six to eight months.

Almost all the workers lost their documents because the subversives destroyed their electoral cards. Thus far there is no news about the four motorboats loaded with a large quantity of medicines and food that the terrorists seized. The terrorists also seized equipment and clothing for use in the jungle, and there is no news about a helicopter and its copilot that were abducted by the terrorists.

The camp is known to have been abandoned, and the inhabitants of Barranca are gradually leaving the town.

Hurtado Miller Discusses Economy, Fuel Costs

PY1812013090 Lima Television Peruana in Spanish 0205 GMT 17 Dec 90

[Address to the nation by Juan Carlos Hurtado Miller, prime minister and economy and finance minister; place and date not given—live or recorded; monitored in progress]

[Text] ...for the first time since the current Constitution came into effect. The national budget allows $70 million intis for the Social Compensation Program, to support soup kitchens [comedores populares], hospitals, school lunches, the school milk program, and others; 58 million intis have been allotted to programs to create jobs.

The executive branch has not approved some rules to regulate the budget because it believes they clash with Articles 197 and 199 of the Constitution or because they allow improper profits or exceptions to the austerity measures.

The fiscal balance is not this administration's only achievement. In the past few months, production, especially in the manufacturing sector, has significantly recovered. This month, the production level for Peruvian companies will be similar to that of July 1990, and sales this Christmas—contrary to the fears of everyone, including businessmen, a few months ago— will be only 10 percent less than last Christmas. Next year, after three years of continual decline, the Peruvian GDP will grow by three percent. The recent climate changes will favor harvests and fishing. Industry and commerce will again have access to long-term credits with interest rates lower than the current ones in Brazil and Argentina, countries that are implementing similar stabilization efforts, and lower than the interest rates in Bolivia's successful economic plan, which defeated the cancer of inflation five years ago.

It would be easy for the government to lower its guard now, but we must redouble our efforts in the fiscal policy to attain the inflation goal we have set. We must also make progress on the structural reform program to stimulate business efficiency and solidarity among the people, and to promote productivity, competitiveness, and savings, so that in 1995, Peru may once again become a country with confidence in the future.

The most complex reforms are those necessary for modifying the state's role in the economy. We need a strong state, but not a large one. The Peruvian state must concentrate its efforts on activities that are necessary for

developing society, especially those not offered by the private sector and can be financed through taxes, without an inflationary issuance of money. Peruvian stagnation in the past few years was largely because the state displaced the private sector in many activities, providing inefficient service, excessively regulating production activities, and neglecting essential services such as health, education, infrastructure, safety, and assistance to the poor.

Nowadays, the state has an excessive number of employees from whom it cannot demand exclusive dedication to their work because it pays them salaries that are often meager. The bureaucracy has grown to 1 million employees. A meaningful restructuring of the state apparatus is necessary, and this administration will carry it out—not through massive firings, but by encouraging public employees to seek new, productive jobs and by mechanisms to accelerate their retirement. This policy will reduce personnel and improve public income through the reclassification of jobs based on the principle of the same salary for the same responsibility, and through greater differences in salary scales to valuate the public administrative career and strengthen the civil service. The announced purchases of resignations [compras de renuncias] are appropriately budgeted and will not create a fiscal imbalance.

The government will begin a rationalization process in the field of state entrepreneurial activity that will not only include the transfer of assets of companies that have no reason for being public, but will also make public companies competitive by eliminating their monopolistic privileges. In January, the government will define and announce the names of the companies and their assets that may be privatized.

Conade, the National Development Corporation, will instruct all public company directors to identify—within a strict time limit—the most appropriate ways of effectively transferring their services or goods to the private sector to promote competitiveness and improve efficiency. At the end of the 1990 fiscal year, public company directors who demonstrate an irregular situation in their companies—having lost more than half of their assets—will be subject to the Mercantile Association Law [Ley de Sociedades Mercantiles]. This means public company directors, as a personal responsibility, must inform the government of their companies' financial problems to evaluate, case by case, the convenience of proceeding to liquidate or sell their companies. The state will only replenish the capital of companies that are absolutely essential for the national development process.

In the field of foreign trade, I want to announce that the government has already defined an automatic and obligatory timetable for a proportional biannual adjustment of tariffs to reach a five-percent ad valorem common tariff by January 1995. This will facilitate identifying investment projects and resuming the restructuring of Peruvian industry to improve and maintain production. The temporary admission system [regimen de admision temporal] for goods has also been improved through the suspension of all kinds of taxes and rights on goods that are meant for export. The control system for luggage and household appliances brought in and taken out of the country by travelers has also been simplified. Customs control of containers has been lifted to introduce the principles of presumption of truthfulness and good faith established in the law of administrative simplification.

It must also be pointed out that within this effort to establish order, Congress created a new currency called the new sol [nuevo sol]. Until the new currency comes into effect, we have established that transactions in intis must be registered minus six zeros and two decimal points.

As for the exchange rate, the government is aware that it is not appropriate for the necessary reactivation of export activities. Abrupt devaluations or speculative movements, such as the one that took place last week, do not lead anywhere. Exporters must understand that a relevant exchange rate that will promote and develop their activity is a real, not a nominal, exchange rate. In Bolivia, for example, when the stabilization program was implemented, the dollar remained cheap for some time, just as here in Peru. The Bolivian Government's attempt to implement a corrective devaluation was counterproductive because it generated inflation greater than the induced foreign exchange devaluation, forcing the Bolivian Government to implement a very harsh monetary and salary policy, which only caused recession to spread and delayed recovery. In two or three months, the dollar exchange rate will reach its true level, when the demand for imports is reestablished at its historic levels.

One of the heaviest burdens inherited from the disastrous former administration has been the state of calamity we found in the public companies. Subsidies for the fares and prices of public companies had increased to $2.5 billion per year, an amount that greatly surpassed the Peruvian State's total tax collecting capacity. If anyone has benefited from this drainage of money, it has been the higher-income urban population, the main consumers of gasoline, water, and electricity. Over the past five years, the public companies that provide these goods and services have not even been able to raise funds to repair their deteriorated installations. When the current administration came to power we were aware of this disorder, but we did not have an exact evaluation of its scope. The disorder has become evident and has forced us to adopt additional adjustment measures.

For example, because of a lack of water meters, Sedapal [Lima Running Water Services], hardly registers the consumption of 30 percent of its clients, which is why it continues to waste such a scarce resource as water. To avoid an inflationary deficit its tariffs will be readjusted to maintain a constant value and obtain a surplus that will allow the collection of funds to once and for all overcome this absurd, inefficient form of operation. This situation will change in the future.

In the case of electricity, the government has reduced the taxes that were charged, together with its rates, transferring them to gasoline because electricity is paid for by everyone, while gasoline is paid mainly by those who have the privilege of owning a car. Measures that will allow discretionary treatment will be issued. In the case of electricity fares for homes that consume up to 150 kilowatt per hour per month, the increase will only be 12 percent. Households that consume more than 1,500 kilowatt per hour per month will pay a greater surcharge. The objective is to tax, at least indirectly, many informal activities normally hidden behind a facade of domestic electricity consumption.

The most complex subject is that of fuel. The world is on the verge of an oil war of unpredictable consequences. Prices, whatever result comes out of the conflict, will not return to the averages of the past few years. The former government expropriated a foreign company without paying it anything in compensation, while Peruvian oil reserves dropped by one-third in the previous administration, bringing them to levels that placed the national economy and sovereignty in a very vulnerable position. Petroperu [State Petroleum Agency], the largest state company, was transferred to us nearly bankrupt and without funds to operate in a continuous and efficient manner. Our future in the oil business is critical for our future development. Camisea [a natural gas project] is one of the largest energy projects in Latin America, but it requires time and large investments to begin operating. Investments will not be obtained if the oil companies are not offered a minimum of safety. In the past few days, groups of unidentified people attacked production installations belonging to Mobil Oil Company, while the national defense forces lacked appropriate facilities and means to repress them.

What is the current situation of Petroperu? The company has a monthly income of $75.1 million, obtained from its sales, exports, and balances from imports and other items. Operational expenses amount to $86.6 million. It must be pointed out that personnel expenses only amount to nine percent or 8.9 percent of the total operational costs. Thus, the fuel price increase will not pay for personnel or wage increases, but for items we will explain further on. Petroperu has a monthly operational deficit of $11.5 million, which the company sometimes covers with advance sales and by falling behind in payments.

The company requires an additional $5 million per month to honor its previous financial commitments. Petroperu's minimum investment program to ensure the future oil supply amounts to $174 million per year—that is, $14.5 million per month.

What must be our energy policy's main objective? To ensure that Peru once again becomes an important oil exporting country by 1995. This is why we must pay for the consequences in the short term—that is, we must solve the existing conflicts over oil contracts with foreign oil companies and decidedly begin negotiations to exploit the Camisea gas. We also need to gradually deregulate and eliminate the state monopoly in oil exploitation, production, refining, and sales.

What prices must there be for fuel? A demagogic government, like many that have existed in Peruvian history, would not make any price adjustments. If this were the case, we would face an explosive crisis in a few months that would shake the foundations of democracy. A short-sighted economist, concerned only with monthly survival, would recommend maintenance of the price of fuel in dollars at the level set by the government last August. This, however, would mean condemning Petroperu to the permanent agony of financing its operational deficit with a growing accumulation of debts, of not having resources to replace its production and exploration investments, of paralyzing the profitable projects of Chambira and Lot 42 south, of not adequately maintaining its industrial plants and refineries, of not offering an appropriate oil pipeline service, and of not establishing a complete communication system that will allow it to face the threat of subversion. In such a case, Petroperu would live each day trying to pay yesterday's bills without thinking of tomorrow. As a result of the Persian Gulf crisis, 1991 will be very difficult and unstable for all oil companies. If we want Petroperu, our largest national company, to survive this enormous challenge, we must give it resources.

What has been the government's criteria in setting new fuel prices?

First: The complete elimination of Petroperu's deficit and the payment of its accumulated debts with Occidental Petroleum to ensure the production and supply of oil and oil by-products for one year, during which time an eventual international oil crisis may raise the value of this product above $60 per barrel. As of today, Petroperu will receive 58 cents per gallon, not 37 cents as it has been receiving so far.

Second: Our fiscal income must increase by $450 million per year, partly to cover national defense expenses without generating deficits. This will allow us to face subversion and terrorism.

Third: Modification of the price structure by increasing the price of gasoline more than that of the rest of the fuels, and by correcting the disproportion between the prices of gas, diesel oil, kerosene, and 48 and 95 octane gasoline. Thus, the prices of kerosene and diesel will only increase by 24 percent, as compared to an average 49 percent increase for all fuels.

In a few hours I will travel to Washington to attend meetings with the top officials of multilateral organizations. The Central Reserve Bank president has complemented this work in the past few weeks. With the IMF, which is the universal auditor of the economic administration of countries, we will sign an economic reference program with quarterly goals in keeping with our balance of payments and fiscal projections. Once this program is endorsed by the World Bank and the Inter-American

Development Bank, it will serve as a basis for attending the Paris Club meeting in February 1991, when we will inform our creditors—first the official ones and then the commercial ones—that in 1991, Peru will only be able to pay its debt with the multilateral organizations. We will also inform them that Peru will require the international community's understanding and support to finance investment projects that will allow Peru to recover its roads and ports and rebuild its hospitals and schools so Peruvian society, its companies and individuals, may again look to the future with optimism.

By 1991, public sector investments will increase to $940 million in comparison with half this amount in 1990. In 1992, public sector investments will increase to $1.4 billion, which will guarantee, as of 1993, a five-percent annual growth rate.

The adjustments we announced and the pressure of Christmas demand will affect our inflation projections for December 1990 and January 1991 slightly, but inflation will begin to drop by February 1991 because we have implemented the adjustments immediately and because the government will remain firm in its basic objectives of fiscal discipline, recovery of the principle of authority, deregulation of production activities, and optimal efficiency in the spending of public funds.

Friends, the prime minister addressing you is exercising his post by appointment of President Engineer Alberto Fujimori, elected by a majority of the Peruvian people. I am complying with a duty delegated to me by the president. The measures I am proposing have only one objective: my country's well-being and progress. I will not and am not seeking personal popularity or a political future. I fully and completely assume responsibility for my government actions and, above everything and personal interests, I am here and now renewing my solidarity and loyalty to the government presided over by Alberto Fujimori, and my unavoidable will to serve my country. May this Christmas serve to make us reflect that only dedication, work, and sacrifice will give us a better future for our dear Peru. Merry Christmas, and with the certainty that frank development will begin next year, for the well-being of all Peruvian people, especially the poorest. Thank you.

Subversives Kill Policeman in La Victoria

PY1712221590 Lima Television Peruana in Spanish 1800 GMT 17 Dec 90

[Text] Today subversives attacked two policemen who were carrying out a routine patrol near the Jorge Chaves market in La Victoria District. Police Sergeant (Miguel Villacorta Gomez) was killed, and Corporal (Alipio Flores Amaya), who was seriously wounded by six bullets, is fighting for his life.

(Villacorta) died on the way to the Dos de Mayo Hospital, and (Flores) is undergoing surgery in the Police Hospital.

In another incident four policemen were injured when their vehicle that was going to the site of the subversive attack ran into a bus at the intersection of (Antonio Baso) and (Raimondi) Streets, La Victoria District.

Eight Peasants Killed in Clash With Terrorists

PY1712230390 Lima Television Peruana in Spanish 1800 GMT 17 Dec 90

[Text] We just received the following information: The police reported that eight peasants were killed in a clash with terrorists in San Pedro de Cajas District, 30 km from Tarma. The peasants in that district are not allowing the bodies to be removed. The clash occurred in the last few hours.

Antonov Airplanes To Be Assembled in Iquitos

PY1712225790 Lima Television Peruana in Spanish 1800 GMT 17 Dec 90

[Text] (Jeddy Rios Suta), president of the (Aeroplatinas) company of Iquitos, has reported that Soviet-made Antonov passenger planes will be assembled in Iquitos.

(Rios Suta) said that the assembly of the first airplanes will be completed this week. He added that Brazil has ordered 32 airplanes and Ecuador 10.

* Bedoya Reyes on Fujimori's Policies; Parties

91SM0099A Lima CARETAS in Spanish 5 Nov 90 pp 26-29

[Interview with Popular Christian Party leader Luis Bedoya Reyes by Alberto Bonilla; place and date not given—first paragraph is CARETAS introduction]

[Text] The Popular Christian Party (PPC) may have been the party least affected by the Democratic Front (Fredemo) failure. Bedoya Reyes says that thanks to the alliance, which failed in its attempt to put Mario Vargas Llosa in office as president, the idea of the social market economy, of Social Christian inspiration, is now widely accepted. But that is not all: The PPC now has a national appeal that had always eluded it before, and its future prospects are brightening, considering the crisis that Popular Action (AP) is now undergoing, as indicated by the stormy internal elections it held recently. Moreover, the Liberty Movement is suffering from a lack of leadership as a result of Mario Vargas Llosa's announcement that he will never again be active in politics.

[Bonilla] You announced a temporary truce with the new government. Now that three months have gone by, is there any chance of parliamentary cooperation?

[Bedoya] We are standing by our decision not to accept political offices in the current government. But we also feel that if this government fails, it will be the country that pays the price. Consequently, the fact that we are

not involved in the government does not mean we are at war. All prudent proposals have enjoyed our parliamentary support.

[Bonilla] The American Popular Revolutionary Alliance (APRA) has also supported them on other occasions. Is it possible to govern without a permanent majority?

[Bedoya] I have the impression that Fujimori's strength lies precisely in his weakness.

[Bonilla] Is it possible to coast along on that weakness for five years?

[Bedoya] If he has the ability to negotiate the basic issues within his general framework of leadership, I don't think it will be impossible for the president to find ways to reach ad hoc agreements with other groups. Then his five year term would become a succession of short-term arrangements following the same general lines.

[Bonilla] Isn't that dangerous?

[Bedoya] Undoubtedly so. It is inconsistent, but not impossible. Your question was whether he could do it, and I say that he can, but it is difficult (he laughs).

[Bonilla] Did you foresee the tremendous upset that the new government was able to bring about?

[Bedoya] No, not even after the second round of balloting. I think that the adoption of new political banners is a good sign, because it indicates that there is enough serenity to think about what is most appropriate. In this regard, I am glad that President Fujimori has been reflective.

[Bonilla] He is burning your political banners....

[Bedoya] I'm not that interested in the politics of claiming credit for slogans; it can lead to dogmatism: "That idea is good if I implement it." It is a misguided attitude. What matters is the idea, and if it happens to belong to someone else, more power to him. It is unseemly to claim a monopoly on being right.

[Bonilla] Do you think the drug trafficking initiative is appropriate?

[Bedoya] I think he has chosen a good time to bring it up again, but let's be clear. It's not that the strategy is different; what we have is a new guiding principle for a comprehensive approach. President Bush's initial proposal obviously omitted the problem of drug trafficking and its temporary ally, in Peru's case, terrorism. What is good about the Peruvian proposal is that it calls for the inclusion in President Bush's overall planning of the problem of coca leaf production and the plight of the peasants who are involved in this activity. It is a very logical and serious proposal that removes the problem from the strictly military and repressive sphere.

[Bonilla] What is the most negative aspect of these first 90 days, in your opinion?

[Bedoya] There is a problem that we could call psychosocial, like what happened before in the case of Alan Garcia. The former president was wrong when he thought that Peru was too small for him and began acting on the world stage, making Peru serve his personal interests. As for President Fujimori, I think the baggage of ideas that the candidate brought with him and his subsequent confrontation with the reality of power created an imbalance that he has been resolving with successive attacks on the institutions he has had run-ins with. My impression is that he is taking refuge in this all-encompassing, indiscriminate attack: All of the judiciary is corrupt, all of the legislature is idle and unproductive, all of the Church is antiquated and medieval. He has a kind of knee-jerk reaction in that he becomes aggressive toward everything whenever he faces specific problems.

[Bonilla] He has not made any decisions so far regarding the public enterprises....

[Bedoya] That is an area he has not yet tackled. It will happen now, with the budget. His statist position is one of the ideas he has brought from the past, and he has not yet adjusted it to reality. When he sees the immense budget deficit that these companies generate, you will hear President Fujimori talk about them with the same aggressive vehemence he has unleashed against the judiciary, the legislature, and the Church.

[Bonilla] How did the PPC emerge from the Fredemo experience? Has it recovered from the electoral defeat?

[Bedoya] There are several things that are worth mentioning, at various levels: As the PPC, for more than 20 years we have been the spokesmen for ideas such as private initiative instead of state-run companies, and the need for a balanced budget instead of a policy of permanent deficit, the most recent expression of which was the famous zero budget. We stood alone and defended principles for which we were branded conservatives throughout the military government, the Constituent Assembly, and the APRA government. Today, thanks to the Fredemo experience, many of these ideas, aimed at the establishment of a social market economy, which we pushed through in the 1979 Constitution, have been publicized widely. Now the political forces that agree with the PPC on these ideas are in the majority. If we had run on our own in the last elections, these ideas would not have attained their current status. So we must congratulate ourselves: What we had been defending alone for 20 years has attained its current status thanks to Fredemo.

[Bonilla] Yet you remain a Lima-based party without significant national penetration....

[Bedoya] That is a prejudice. We have demonstrated through the preferential vote, which is the one that matters most, the presence of a group of 25 deputies who are just as likely to come from Piura as from Lima and Callao, or from Loreto; they are just as likely to be from Arequipa as from Huanuco or San Martin. It can no

longer be said that we are an exclusively metropolitan party. What's more, the social extraction of deputies and senators, as well as the 35 provincial mayors, the 150 district mayors, and the regional deputies throughout the republic, demonstrates that the PPC has a very different constituency than it was always assumed to have. Nor can we ignore the fact that we owe these results in part to the FREDEMO situation. Our hope was that Social Christian thought, which has a universal appeal, could gain a new support base, a much stronger one than the PPC alone could provide, so that it could be put into practice. We were not victorious, but those principles are now shared by many throughout the country.

[Bonilla] But there was a lot of grumbling about Fredemo within the party ranks. Has Sotomarino left?

[Bedoya] No, the problem is that Celso has been heavily involved in legislative efforts for the last ten years, everything having to do with the budget. He has entered a phase in which he wants to work on other aspects of his life. But we can count on him whenever we need him in the party.

[Bonilla] And what about the future? Will the alliances continue, or have you decided to go it on your own from now on?

[Bedoya] I can't venture any opinions about 1995, but it is obvious that there is a regrouping of forces and a challenge to the political parties. We still bear the burden of parties that rely excessively on personalities and do not have technical structures.

[Bonilla] Would you say that this assessment does not apply to the PPC?

[Bedoya] I have faithfully striven to depersonalize to the best of my ability. People are even asking me why I keep such a low profile.

[Bonilla] Will the image crisis of the parties, as reflected in the latest election results, be overcome?

[Bedoya] I think there is a lot of generalization contained in your question. The damage is coming primarily from the parties of Marxist-Leninist inspiration which, having lost their conceptual anchorage and international relevance, have tried to make others suffer along with them. This phenomenon has been echoed by the intelligentsia, who always adhered to leftist thought because of their progressivism. The 1990 results could lead to a misinterpretation of the national political process. We feel that we have been strengthened and that we have good prospects for the future. Other major political groups share this optimism.

[Bonilla] You are not including the leftist parties in that judgment, surely....

[Bedoya] I think that the enlightened sectors of the left understand that the social market economy, not the pure market economy, in and of itself promises a more adequate response to the situation in Latin America than do nationalization or forced collectivization, which have been abandoned as failures. Perhaps in the future the social market economy will be the key point of convergence among sectors that until recently were in disagreement or at loggerheads.

[Bonilla] What do you think are the chances of an APRA recovery?

[Bedoya] The traditional political parties have the advantage of being able to rely upon a broad array of leaders who were born into the party. They give the party the ability to move to either side of the political spectrum without losing its identity. APRA has young leaders who exhibit newer, fresher thinking. In the future, they will enable the party to try out options in the social democratic sphere once again.

[Bonilla] There are those who believe APRA could come back with Alan Garcia himself....

[Bedoya] Politics is anthropomorphic; it is manifested through individuals, and Peruvian history suggests that this is a realistic possibility. But it will be difficult for Garcia to make people forget his failure. Much of his future depends on what this government does in the next five years. If it stays within the lines it has started out with and is able to find an adequate response to the combinations it is trying out, the public will understand that the failure of the previous government was due not only to the errors and excesses of Garcia and his people, but also to APRA ideology. If that happens, they have no future.

[Bonilla] Let's get back to your party, please. How will you elect the candidates for the municipal elections?

[Bedoya] We have a calendar of internal elections that will begin in 1991 and culminate with the Congress in 1992. Every single office will be the subject of universal, secret balloting.

[Bonilla] Who is being considered for mayor of Lima? Are Alberto Andrade and Richard Amiel being mentioned?

[Bedoya] No one is beyond consideration. There are many people who are very worthy. The party will have to choose when the time comes.

[Bonilla] And will you be a candidate in 1995?

[Bedoya] That is premature, I would say. We expect to be on our own, or to reach a compromise. As for myself, I am 71 years old....

[Bonilla] Do you think that's too old?

[Bedoya] No, but there are things people should think about. The exercise of power takes not only intellectual energy but also physical energy, given the new circumstances that arise. This means that we men of a certain age should be very careful in our decisions and very open to the idea of turning over the reins.

[Bonilla] What if a less doubtful criterion than yours prevails in the party?

[Bedoya] No. I think we have no reason to abandon the spirit of prudence that has always characterized us. We will look at the prospects for 1995 in light of the circumstances at that time.

[Box, p 29]

[Bonilla] What is the PPC's position on the family planning program advocated by President Fujimori?

[Bedoya] We follow the line of the Church on that, but we recognize that the state has a responsibility to legislate. In this regard, people are rashly confusing the Church's real influence over its parishioners with the state's own responsibility. It is up to the state to promulgate the most appropriate legislation through the existing powers. One fact is clear: Although the GDP has experienced downward fluctuations in recent years, the population has grown consistently. Obviously the same or smaller mass of goods distributed among an increasingly large number of inhabitants leads inexorably to poverty. If we look at the statistics, even if we put together the entire GDP of Peru and divided it by the population, the proportion corresponding to each Peruvian would be so insignificant that we would all fall into a state of poverty. This suggests that there are millions of Peruvians who are below the human minimum. The Church is right, then, when it says that the structural problem lies in teaching the country to produce more so that the country's overall wealth will enable each Peruvian to choose the size of his family on his own. We can't ask the Church to change its principles on the basis of a short-term situation; we can't expect it to be tolerant in view of the circumstances. The Church has its teaching function; the state must play its role as well.

Guyana

Nation Applies for Full OAS Membership

FL1712143590 Bridgetown CANA in English 1209 GMT 17 Dec 90

[Text] Georgetown, Guyana, Dec 17, CANA—Guyana, after enjoying permanent observer status at the Organisation of American States (OAS) for more than two decades, has applied for full membership of the hemispheric body. The application was delivered by John Murray, charge d'affaires of Guyana's Washington Embassy to Ambassador Joao Clemente Soares, the OAS secretary-general last Tuesday, the government information agency said.

Under Article eight of the OAS charter, Guyana, which has a territorial dispute with OAS member, Venezuela, has been prohibited from full membership. The article has since been amended by the Protocol of Cartegena to afford membership to independent nations of this hemisphere which are United Nations members. Guyana gained its political independence from Britain 24 years ago. As of December 10, 1958, Article eight ceased to be in force as a transitory provision, the government statement said.

The 32-member organisation based in Washington has also received an application for membership from Belize, which was similarly blocked from full membership because of its territorial dispute with neighbouring Guatemala. The two applications are to be considered when the body convenes a special session of its general assembly next month.

[The] government envisages that Guyana's membership could enhance its economic and trade links with the Latin American Economic System (SELA) and also strengthen geo-political and strategic considerations with SELA.

Explosion Causes Fire, Damages Ministry

FL1712140390 Bridgetown CANA in English 1154 GMT 17 Dec 90

[Text] Georgetown, Guyana, Dec 17, CANA—Firemen in Guyana are still trying to find out what caused a fire which damaged or destroyed valuable government files and which had threatened at one stage to burn down the Ministry of Agriculture in the capital, Georgetown.

The fire, said to have been triggered by some kind of explosion, burnt out the office of minister in the Ministry of Agriculture, Vibert Parvatan, while the senior Agriculture Minister Dr. Patrick McKenzie's office, above Parvatan's in the two storey building sustained minor water damage.

Paravatan's office is located next to the presidential secretariat. Officials said that in addition to files, documents, and some office furniture were either destroyed or damaged.

Speculation here is that it was an electrical fire, linked to a burnt out air conditioning unit. The area was without electricity for two hours and the fire occurred shortly after power was restored.